



# 2025 strategic report with supplementary financial information

SEFE MARKETING & TRADING LIMITED

# Contents

01	Strategic report
15	Directors' report
18	Independent auditors' statement to the members of SEFE Marketing & Trading Limited
19	Statements of comprehensive income
20	Statements of financial position
21	Statements of changes in equity
22	Statements of cash flows
23	Notes to the supplementary financial information
59	Abbreviations
61	Officers and professional advisors

# Strategic report

The Directors present the Annual Report and the Consolidated Financial Statements of SEFE Marketing & Trading Limited ("SM&T" or the "Company") and its subsidiary undertakings (collectively referred to as the "Group") for the year ended 31 December 2025.

## Principal activities

The principal activities of the Group and Company are trading and sales of energy products, including natural gas, power, liquefied natural gas ("LNG"), metals and environmental products, as well as related hedging and financial trading activities.

On 1 October 2025, SEFE Securing Energy for Europe GmbH ("SEFE", the "intermediate parent") transferred its holdings in the Company to SEFE Commercial GmbH ("SECO"), making SECO the Company's immediate parent company from that date. The ultimate ownership, controlling interest, executive leadership and operational activities of the Company and its subsidiary undertakings remain unchanged. In addition to the Group, SEFE operates a number of subsidiaries globally which form the "SEFE Group". The SEFE Group is active across global energy market hub locations but is primarily focused on the European and Asian energy markets.

The Group's trading and sales activities operate under integrated organisational and operational commercial models, ensuring coordinated decision-making and strategic alignment, maximising their combined impact. By integrating trading and sales portfolios, sales naturally offset volumes generated through trading, enabling optimal portfolio management and improving the Group's flexibility in adapting to market dynamics. This integration also promotes stability through essential hedging and balancing services provided by traders, reducing exposure to market volatility and delivering predictable outcomes. This unified approach strengthens the Group's market position, capitalises on synergies, and drives sustainable value creation.

The energy trading and LNG businesses encompass the procurement, transportation, storage, marketing, and trading of energy products such as natural gas, LNG, electricity, and environmental products. The energy trading business also supports the energy transition by offering power purchase agreements ("PPAs") for renewable energy, acquiring green certificates, and providing flexible asset management solutions. Additionally, it is expanding into new commodity markets, such as metals, aimed towards maximising future sustainable growth prospects. The LNG business focuses on ensuring Europe's energy supply through subsidiaries in London and Singapore, engaging in physical LNG trading, freight capacity transactions, and financial derivatives, supported by a portfolio of purchases and sales with third parties.

The energy sales business serves as a platform for shaping Europe's energy transition by supplying customers with natural gas and electricity, with plans to expand offerings to include hydrogen solutions. The energy sales business, primarily managed by SEFE Energy Limited in Manchester, supplies to small- and medium-sized end customers in the United Kingdom, with additional markets served through a subsidiary in France and a branch in the Netherlands.

The global reach of the Group is reflected in the Consolidated Financial Statements, which comprise the consolidated results of 8 (2024: 10) individual legal entities covering the UK, continental Europe, North America and Asia (see note 9).

## Group key developments and financial results in 2025

The Group's operating performance remained resilient throughout 2025. Net income matched levels seen before the 2022 energy crisis, supporting a balanced approach to risk management and driving profitable outcome despite a challenging market environment, characterised by elevated geopolitical tensions and ongoing regulatory uncertainty. The Group continues to maintain a robust equity base and a strong funding position.

## Strategic report continued

### Market development

Energy markets remained relatively subdued in 2025, driven by finely balanced levels of natural gas supply and demand particularly in Europe and Asia. The supply of LNG and its regasification continues to gain in importance for Europe. An increase in US LNG exports placed further downward pressure on European and Asian energy prices, resulting in low price volatility and narrow seasonal gas spreads.

The Dutch Title Transfer Facility ("TTF"), a key indicator of European natural gas prices and LNG imports, trended at lower levels compared to the previous year for large parts of 2025, and well below levels observed during the energy crisis in 2022.

Natural gas demand in Asia remained almost unchanged compared to the previous year and the LNG spot price index JKM has also fallen further after the decline in the previous year. This was mainly due to declining industrial consumption and increased electricity generation from renewable energies.

### Group development

In order to build on the SEFE Group objective to secure Europe's energy supply, the Group strengthened and diversified its procurement portfolio in 2025 by concluding new medium- and long-term pipeline and LNG supply contracts with global strategic partners. The necessary flexibility for a rapid adaptation to a low-carbon economy is maintained through appropriate contractual conditions. This flexibility allows the Group to secure its current energy supply as well as to adjust regional import volumes in the event of changes in demand.

The Group successfully established its metal trading division during the year. The division contributes to decarbonisation measures by making strategic raw materials available and at the same time expands the Group's portfolio with additional growth potential.

The Group and wider SEFE Group strengthened its integrated trading and sales activities through launching of the joint commercial model in 2025, which delivered increased margins from the Group's gas and power portfolios and is expected to add further growth in future years.

In addition to being its sole shareholder, the Federal Republic of Germany continues to provide financial support to SEFE and its subsidiaries, in the form of a loan from Kreditanstalt für Wiederaufbau ("KfW"). Treasury is a centrally managed function within the SEFE Group and the Group is provided with appropriate levels of liquidity from its intermediate parent company to support its role as the face to traded markets for the SEFE Group. The Group currently benefits from a €3.7bn liquidity line from SEFE.

### Trading

Trading performance for 2025 remained broadly in line with pre-energy-crisis levels, supported primarily by the continued normalisation of market prices from the exceptionally high levels which influenced trading results over the period 2022 to 2024. The market environment remained challenging, with limited price volatility and narrowing seasonal spreads that, at times, inverted during the year. The effects of these conditions have been partly offset by value created from expansion and diversification across trading strategies, commodities and geographies during the year.

Despite decreased European gas and Asian LNG prices, the Group's LNG portfolio remained resilient, delivering a strong financial performance underpinned by a 35% increase in LNG volumes with a record 173 cargoes delivered in the year (2024: 132). The expansion of regasification capacity across Europe enabled more effective cargo repointing, ensuring continuity of supply into our key markets. Beyond physical activity, the business delivered additional value through optimisation of contract optionality and freight exposure, complemented by sub-chartering activities across our vessel fleet. With significant origination activity and more geographically diverse deal flow across Europe, Asia and South America, the Group strengthened its commercial position and reinforced the resilience of the value chain amid ongoing geopolitical uncertainty in the marketplace.

## Strategic report continued

Despite a market environment characterised by low prices and subdued volatility, the Group responded well to seasonal shifts in European gas prices. To mitigate the impact of market dynamics, the Group focused on increasing structured trading and origination activity, with a ramp up in bilateral trading providing a valuable counterbalance. Geopolitical developments also contributed to strong performance from foreign exchange trading, demonstrating the Group's diverse strategic approach and supporting overall trading profitability. In parallel, the Group expanded its carbon credit portfolio, completing structured transactions across various regions to support the Group's decarbonisation objectives.

The Group's continued investment to achieve a best-in-class digital trading infrastructure has increased the adaptability of its strategies to an ever-evolving market landscape while the newly operational metals trading desk, progressing into physical transactions for metals key to energy transition, underpins the Group's presence in Europe's decarbonisation targets. Finally, the Group completed the licensing and systems capabilities required for its Eastern European expansion, adding to the overall portfolio size and geographic growth.

### Sales

The UK retail business has seen gas volumes increase by 7.5% and number of sites supplied decrease by 7.9%. The decrease in site numbers is mainly driven by the continued reduction in independent supplier sites, whilst the core supply business remained on track. The increase in gas volumes has seen the Group move to number one in the UK market in terms of market share by volume.

The UK retail business gas market share increased to 27.4% in the year (2024: 22.0%). The Company holds the highest share in the UK business gas market (2024: second) by supplying 45,212 GWh of gas to end users (2024: 37,560 GWh). The Group's UK business power market share increased to 1.5% (2024: 1.0%), after supplying 1,967 GWh of power to end users (2024: 1,348 GWh).

In France, the Group supplied 4,521 GWh of gas during the year (2024: 4,167 GWh).

In the Netherlands, the Company supplied 2,525 GWh of gas to end users (2024: 2,664 GWh) and the number of live gas sites has decreased to 28,041 (2024: 32,572 sites). The Company also supplied 314 GWh of power to end users (2024: 377 GWh) and saw a decrease in the number of live power sites to 15,689 (2024: 18,068 sites).

### Financial key performance indicators

The Group's EBITDA for the financial year 2025 was £230.7m (2024: £411.2m). The Group, along with its parent company, have identified a series of financial key performance indicators ("KPIs") which it believes are useful in assessing the Group's performance. These are set out below. Where appropriate, other key performance indicators are also included within the various sections of the Strategic Report.

#### Financial key performance indicators

Indicator type	Key Performance Indicator	2025 £m	2024 £m	Change %
Profitability	Net income	<b>508.5</b>	745.6	(31.8%)
Profitability	EBITDA	<b>230.7</b>	411.2	(43.9%)
Profitability	Profit for the financial year	<b>27.2</b>	199.4	(86.4%)

### Future strategy of the business

For the 2026 financial year, the Group expects earnings to be roughly at the level of the 2025 financial year. These projections are based on an anticipated continuation of the market conditions observed in 2025 for the majority of 2026. The energy transition and increase in global LNG exports is expected to disrupt European natural gas and power markets, driving marginal increases in seasonal spreads and price volatility compared to 2025. The Group remains confident in its financial stability and core operating framework.

## Strategic report continued

Key earnings drivers include the optimisation of existing LNG contracts, in particular through extended flexibility options for procurement volumes and sales markets as well as increased regasification capacities within the portfolio. Sales performance is expected to be challenged by declining margins, however this is mostly offset by increased volumes and the expanded supply of power and biomethane. The Group is expected to make further progress expanding its long-term natural gas and LNG supply portfolio in 2026, securing energy supply through geographically diversified channels.

A significant focus for 2026 for the SEFE Group as a whole will be the continued preparation for privatisation and establishing a robust platform for future growth and green objectives.

### Principal risks and uncertainties facing the Group

The SEFE Group operates an Enterprise Risk Management ("ERM") system to manage risks effectively and consistently across the Group. ERM is pivotal in realising organisational objectives and ensuring coherent and comprehensive oversight over financial and commercial operations. Additionally, it augments business decision-making by identifying optimal risk-return alternatives.

The risk management system is an integral component of SEFE Group's business processes and activities. The commercial and support units are responsible for risk management as risk owners. The centralised Risk Management department support these units by providing advisory, independent control, reporting and oversight services.

The SM&T Directors are in turn responsible for ensuring that SM&T follows the risk strategy, principles and policies as defined by its shareholder.

The principal risks can be aggregated under the following broad categories:

- > **Market Risk:** The Group assesses its market risk, primarily affected by commodity and derivative prices, interest rates, and foreign exchange rates with a Value-at-Risk ("VaR") approach based on sophisticated Monte Carlo simulations. Operating units manage this risk in coordination with the Group's Risk Management department and within defined limits. The Group complements VaR assessment (and its shortcomings) with additional complex methods and controls, such as stress tests, correlations/diversification modeling, sensitivity analysis and exposure limits. Long-term LNG contracts, whose margins are impacted by the long-term trends in LNG and oil prices, as well as emerging markets for hydrogen and green products, constitute significant challenges for risk management.
- > **Credit Risk:** The Group manages its credit risk through a clear credit policy, a system of credit limits, and robust credit assessment and monitoring processes. A broad, diversified credit risk portfolio helps the Group to maintain its credit risk exposures at an acceptable level.
- > **Liquidity Risk:** The Group regularly reconciles its financial commitments with available liquidity to meet its financial obligations. The liquidity risk management process is based on the assessment of the potential negative deviations from the planned cash flows arising from margin calls, as well as modelled realisations of market, credit, and operational risks. The Group estimates maturity-dependent liquidity risk reserves, that must be covered by available liquidity, including committed financing lines.
- > **Strategic Risk:** The organisation is fulfilling its security of supply obligations by procuring long-term LNG and pipeline gas supply as well as acquiring regasification capacity. The interplay of the security of supply requirements, the observed destruction of gas demand in Europe and the accelerated green transition represents the most challenging strategic risk, as the benefits from long-term supply contracts may be offset by the broader shift towards renewable energy with trading revenues being adversely impacted by the lower price and volatility levels. In addition, the constraints imposed by the European Commission as part of the transfer of the ownership to the German government may have an impact on the range of activities the Group can pursue in achieving its strategic goals whilst managing the arising strategic risks.

## Strategic report continued

- > **Operational Risk:** The Group defines operational risks as losses resulting from inadequate or failed internal processes, people, systems or external events. Based on the operational incident statistics, the level of the Group's operational risk has increased year on year due to internal and external factors. However, continuous process and control improvements have limited the impact. The Group's approach to mitigating operational risks relies both on thorough analysis of the realised incidents and on the pro-active identification of potential weaknesses through regular thematic and process reviews. These reviews are conducted by Risk and Internal Audit functions with the active participation of the process and control owners.
- > **Information Security Risk:** The Group evaluates the level of this risk as high due to the ownership structure and the current geopolitical situation. To deal with the potential threats, the Group maintains and sets information security standards and independently monitors adherence to them. The Group embarked on an ambitious IT improvement programme, including replacement of outdated IT systems, upgrade of IT infrastructure and migration of existing IT systems to the cloud. All these measures are expected to significantly reduce information security risk.
- > **Environmental Risks:** Severe weather, low tides, and other climate-related anomalies present notable risks, impeding gas and LNG transportation and delivery. These adversities can lead to operational delays and financial losses. With regards to LNG, the Group does not own LNG carriers but charters its required shipping capacity on spot and time charters.
- > **Regulatory Risks:** The Group considers these risks to remain elevated in the wake of the European energy crisis. The continued changes in the regulatory landscape may expose the Group to energy-specific regulatory risks, including tighter regulations of energy trading activities, energy transition regulations, cross-border regulatory discrepancies, and a heightened risk of regulatory divergence across jurisdictions. These developments may also result in increased cost of compliance as the Group adapts to evolving national and EU frameworks. The Group manages these risks by continuously monitoring and analysing emerging national and EU regulatory policies and engaging with critical stakeholders, such as regulatory bodies, industry associations, and the German government. Notably, the Group is working diligently to monitor and ensure compliance with EU regulations prohibiting the import of LNG from Russia into Europe.

- > **Supply Chain Risk:** The highly globalised natural gas and LNG supply chain makes the Group vulnerable to geopolitical instability, such as war, sanctions or political unrest. The Group reduces these risks by diversifying its supply sources, conducting a robust Know Your Customer ("KYC") process for its counterparties and vendors, ensuring compliance with international regulatory requirements, and using contractual clauses where possible.
- > **Political risk:** Geopolitical risks are closely monitored due to their importance for strategic decision-making in the context of global political dynamics. This includes the risk of further military escalation in the Middle East, which could lead to significant disruptions in global supply chains and result in rising energy prices, additional inflationary pressure, tightened sanctions, and a deterioration of the economic growth outlook.

### S172(1) statement

The Directors, in executing the strategy and complying with their duties in the year, have considered how their actions would promote the success of the Group for the benefit of its members as a whole. The Directors take a long-term view in the decision-making process, allocating resources and investment to business areas which are expected to bring the most benefit to the Group in the coming years. This is evidenced through continued investment in IT infrastructure to support the future development of the business.

### Customers', strategic partners' and suppliers' standards of business conduct

The Group is both a significant procurer and provider of energy, playing an active role in the European and Asian markets as a trading counterparty and in ensuring security of energy supply for customers. As such, the Directors consider high standards of business conduct to be critical. Substantial focus is placed on strong and professional relationships with the Group's counterparties, suppliers and customers; uninterrupted operations in its markets is fundamental to meeting this objective. Throughout the year, the Group was in contact with trading counterparties, suppliers and customers to ensure that commercial commitments were mutually honoured.

## Strategic report continued

The Group is committed to conducting business ethically, with honesty and integrity, and in compliance with all relevant laws and regulations. We do not tolerate any form of bribery, corruption or other unethical business conduct.

Our Code of Conduct outlines our core values and business principles which guide how we do business. It helps all employees to act in line with the standards, behaviours and principles required to do business to a high standard of professional and ethical conduct. Our policies and supporting documents provide further guidance and instruction, in line with best industry practice. These include our Competition Compliance, Financial Crime Compliance, Data Protection, and Information Security policies. Specific training is provided to relevant employees on these topics.

### Corporate Social Responsibility (“CSR”)

As a conscientious business, the Group remains steadfast in its commitment to providing support for local communities. During 2025, the Group globally donated over £194,900 (2024: £149,500) to various not-for-profit organisations:

- > **UCLH Charity, London** – supports University College London Hospitals by funding projects that enhance patient care, improve hospital facilities, and advance medical research and innovation.
- > **Lifeafterhummus, London** – a community-driven social supermarket and reuse centre in Camden that reduces food waste while redistributing surplus food and essential items to vulnerable families.
- > **Royal Marines Charity, UK** – provides lifelong support to serving and former Royal Marines and their families, including financial assistance, rehabilitation, mental health support, and career transition services.
- > **London’s Air Ambulance Charity, London** – delivers rapid-response advanced trauma care to critically injured patients across London through helicopter and emergency medical services.
- > **KK Women’s and Children’s Hospital, Singapore** – supports women’s and children’s health through financial assistance, research, and education programmes.
- > **Habitat for Humanity, Singapore** – rehabilitates homes for vulnerable families in Singapore and neighbouring countries, improving living conditions and strengthening communities.
- > **Manchester Youth Zone, UK** – supports young people in disadvantaged areas through access to activities, mentoring, and personal development programmes.
- > **Rewilding Britain, UK** – a national charity focused on restoring nature and addressing the climate and biodiversity crises through rewilding initiatives.
- > **Happy Days Children’s Charity, UK** – supports children with life-limiting conditions, disabilities, or challenging circumstances through respite breaks and day trips.
- > **Metropolitan Housing, UK** – provides affordable housing and specialist care and support services for vulnerable and marginalised individuals.
- > **Un Petit Bagage d’Amour, France** – supports pregnant women and young mothers in extreme poverty by providing essential hygiene products, clothing, and childcare items.
- > **SOS Villages d’Enfants, France** – provides family-based care and long-term support for children without parental care, ensuring stability, education, and social inclusion.
- > **HANDI’CHIENS, France** – trains and provides assistance dogs free of charge to children and adults with disabilities, supporting independence and social inclusion.
- > **Stichting Hulphond Nederland, Netherlands** – trains assistance dogs to support people with physical, psychological, and developmental conditions, improving independence and quality of life.
- > **Stichting Niet Graag een Lege Maag, Netherlands** – provides nutritious meals to schoolchildren in Rotterdam who would otherwise attend school hungry.
- > **Cool Down City, Netherlands** – promotes urban cooling and climate resilience by encouraging tree planting through community engagement and free tree initiatives.

## Strategic report continued

### Employees

The Directors believe that the Group's success is aligned with the interests and wellbeing of its employees. They have been active in balancing the need for the business to remain competitive, and the need to continue to provide the Group's employees with a stable work environment and development opportunities. Employee wellbeing continues to be a key priority for the Directors, and the Group has 18 (2024: 19) qualified Mental Health First Aiders on hand to offer support and advice to employees.

### Non-financial and sustainability information statement

Under sections 414CA and 414CB of the UK Companies Act 2006, the Group is required to include in its Strategic Report a non-financial and sustainability statement containing certain information. In relation to non-financial information, please refer to the S172(1) statement above. As part of our commitment to transparency and ethical practices, we have made our Code of Ethics and Business Conduct, as well as our Environmental and Climate Change Statement and Human Rights Policy Statement, available on our SEFE Group's website at [www.sefe.eu](http://www.sefe.eu).

The section below covers the key requirements for climate-related disclosures and environmental matters including the Group's governance arrangements and the risk and opportunities assessment. We have made disclosures in the section below consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

#### Governance

SM&T and its subsidiary companies form part of the overall SEFE Group and are primarily responsible for the sourcing and trading of natural gas, LNG, power, metals and carbon products, and the retail supply of energy products.

The executive management of SEFE Group comprises the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Information Officer ("CIO"), Chief Commercial Officer ("CCO"), and Chief Sales Officer ("CSO"), whose responsibilities span the SEFE Group's legal entity structure, including the Group.

As an integral part of the SEFE Group, the Group adheres to the governance, strategy, risk processes and targets established by the SEFE Group for all its activities.

The governance of sustainability and climate change matters at SEFE Group is built on efficient collaboration between the Management Council and the Supervisory Board, in accordance with the dual board system required by German legislation. This structure is further strengthened by the expertise of the Environmental, Social & Governance ("ESG") and Risk committees. Robust risk management and transparent disclosures are key elements of this framework.

The current remit and roles of key SEFE Group bodies in relation to climate change are detailed below:

- > **SEEHG Securing Energy for Europe Holding GmbH Supervisory Board (the SEFE Group Supervisory Board):** Responsible for supervising and monitoring strategy definition and implementation in the SEFE Group, including oversight of SEFE Group climate risk management and energy transition activities and broader ESG issues. In 2025, the Supervisory Board reviewed reports from the ESG Committee on SEFE Group's ESG activities, including SEFE Group's emissions targets, performance and reduction levers;
- > **Risk Committee of the Supervisory Board:** Oversees the identification, assessment, management, and mitigation of the key risks facing SEFE Group, including ESG and climate-related risks, and reports on its findings to the Supervisory Board;
- > **ESG Committee of the Supervisory Board:** Advises the Supervisory Board and Management Council on SEFE Group's ESG activities and their integration into business strategy and makes recommendations on ESG targets and their delivery. In 2025, there were two meetings of the ESG Committee which covered the progress against key ESG priorities and targets, review of ESG-related initiatives and GHG emissions data, and updates on ESG reporting. The ESG Committee's reports to the Supervisory Board confirmed that SEFE Group is on track with the implementation of its ESG strategy;
- > **SEFE Group Management Council:** Steers the day-to-day business of the SEFE Group, including the development of ESG strategy, targets, and initiatives to support its energy transition activities and reduce its GHG emissions, and reports on its activities to the Supervisory Board;

## Strategic report continued

- > **Key Executive Directors' climate responsibilities:** The SEFE Group CEO is accountable for strategy development and execution, including SEFE Group's approach to ESG topics such as climate change, in consultation and collaboration with the Management Council and Supervisory Board. The SEFE Group CFO is responsible for ensuring processes are in place to manage and mitigate ESG risks including climate-related risks;
- > **SEFE Group Strategy and Sustainability/ESG Team:** Responsible for implementing ESG strategy and related ESG processes and activities working closely with other functions within SEFE Group. The Head of ESG reports progress on ESG activities and performance to the EVP Strategy & Sustainability, CEO and ESG Committee.

### Strategy

The Group and the wider SEFE Group is a major supplier, seller and trader of natural gas, LNG, power and emissions products in European and global energy markets, and is a key gas infrastructure owner and operator in Europe.

In support of SEFE and the Group's energy transition strategy, the following activities are being undertaken:

- > **Sales:** The sale of low-carbon products to UK and European customers through SM&T's subsidiary, SEFE Energy Limited. The current focus is on growing SEFE Energy's existing power customer base and developing low-carbon power solutions and offers to support this activity;
- > **Hydrogen & Clean Energies:** The development of low-carbon energy value chains to meet the needs of our customers in Europe, including the UK;
- > **Digital Trading & Energy Transition:** The risk management and optimisation of third-party power assets, including renewable power balancing activities and the origination of green gas and power certificates. SM&T is enhancing the capabilities of its traders and analysts with new and advanced tools, including the development of an algorithmic trading platform. It is also developing a multi-product platform for clients which will facilitate the selling of power, gas, carbon, and metals, significantly improving our execution capabilities and ensuring that clients receive a comprehensive and efficient service;
- > **Environmental Products:** The origination, trading and marketing of voluntary carbon offset products;
- > **Gas, Power & Derivatives:** The trading and sales of European and UK emissions allowances.

### Climate-related risks and opportunities

In 2025, a detailed climate risk and opportunity assessment was undertaken for the SEFE Group. This analysis confirmed the following potential impacts for the Group:

- > **The value of the Group's gas and LNG activities** could be impacted by climate change and the energy transition. Changes in regulations or consumer preferences, due to concerns over climate change, could reduce demand for fossil fuels over the long term (5-25 years). Alternatively, fossil fuel demand could remain higher if energy security concerns remain at the forefront of society and policymakers' concerns;
- > **The Group's ability to grow its low-carbon businesses**, possibly due to lack of supportive policies, strong competition, insufficient consumer demand, slower development of new technologies and supporting supply chain constraints. This could particularly impact short-term (0-1 years) and medium-term business plans (1-5 years) as the Group builds its low-carbon energy businesses. Alternatively, stronger demand, policy support or faster technology development and adoption of low-carbon energy could support a more rapid development of these businesses;
- > **Increasing climate-related physical risks impacting Group operations**, including the impact of severe weather in the long term, could impede the supply of energy to European and global customers such as, for example, storm surges and flooding impacting deliveries. These impacts may become more severe over time if climate change accelerates;
- > **The Group's ability to execute the SEFE Group strategy** is significantly influenced by how well SEFE Group's business model aligns with societal values, in particular with regards to low-carbon energy sources and greenhouse gas emissions. Misalignment and negative perceptions about SEFE Group's operations could result in several challenges, including potential litigation, reputational damage, reduced access to financing, difficulties attracting and retaining talent, and possible shareholder actions. These impacts could occur across the whole time period (1-25 years). Focusing on SEFE Group's ability to adapt its business model to better align with societal expectations, such as investing in low-carbon energy and emissions reduction initiatives, could mitigate these risks. By doing so, SEFE Group could enhance stakeholder support, which in turn may unlock new or expanded sources of capital for these impactful opportunities.

## Strategic report continued

### Impact on the Group and the wider SEFE Group strategy

SEFE Group's vision, strategy and business planning is informed by the climate-related risks and opportunities listed above.

SEFE Group's vision is to be a European-anchored global energy company, with a mission to provide energy and solutions for a low-carbon society while securing affordable energy for Europe. We strive to support our customers and partners on their decarbonisation journey by providing competitive, affordable, innovative, and flexible solutions while managing uncertainty.

The Group and the wider SEFE Group's strategy and business planning addresses key climate-related risks and opportunities through the following key initiatives:

- > **Reducing the Group's emissions.** The Group and the wider SEFE Group have established a Net Zero target for its Scope 1 and 2 emissions. A range of emissions reduction activities are being implemented to deliver on these targets, including SM&T office-related energy use and emissions reduction initiatives, such as equipping our offices with LED light bulbs, switching energy supply to renewable electricity and utilising smart building technology to reduce energy use;
- > **Growing the Group's portfolio of low-carbon energy products, potentially enabling Scope 3 emissions reduction through customer switching to lower-carbon products.** These include targets for low-carbon product sales based on expected market developments in Europe. The Group is developing opportunities to source renewable power, low-carbon hydrogen and biomethane, with a focus on gaining access to competitive supply;
- > **Supporting the Group's customers and partners to improve energy efficiency and reduce their carbon emissions,** through energy audits for end use customers and state-of-the-art asset optimisation solutions to energy asset owners, which support the active balancing of low-carbon electricity;
- > **Developing the Group's low-carbon energy trading capability and managing associated risks.** These activities will enable SM&T gradually to replace trading gross margin from fossil fuel-based trading activities with new sources of trading income, as well as provide trading access and risk management services to third parties;

- > **Growing the Group's carbon offset business to mitigate future emissions impacts of SEFE Group's and its customers' businesses.** This includes investments in carbon offset projects, where these offer access to high quality carbon credits at an attractive price.

### Financial planning

The Group and the wider SEFE Group are allocating capital to energy transition activities, both to capture climate change-related opportunities and reduce emissions impacts. This includes investment in hydrogen and carbon offset activities, such as hydrogen pipelines and carbon offsets.

While there are risks that financial institutions may reduce capital available for existing fossil fuel-based activities in response to climate change impacts, SEFE Group works closely with its banking partners to answer all of their ESG questions and maintain access to ongoing funding.

SEFE Group is also applying internal carbon pricing to new long-term LNG supply opportunities to raise awareness of potential future carbon costs from these activities.

### Scenario testing

SEFE tests its long-term financial forecasts against a range of different market and climate scenarios.

For its base case curves, SEFE Group utilises forecasts from independent industry-leading third-party providers to establish these curves. SEFE Group then tests its gross margin forecast by stress testing its long-term portfolio exposures against a set of forward prices derived from a spectrum of internal and external energy transition scenarios. In 2025, this included Wood Mackenzie's Net Zero ("NZE"), IEA's Announced Pledges ("APS") and IEA's Stated Policies ("STEPS") scenarios.

## Strategic report continued

This analysis has demonstrated that there is significant uncertainty in the pace and nature of the energy transition, with a wide range of outcomes under different scenarios reflecting an array of policy, market, and economic behaviours that require ongoing monitoring.

SEFE Group's corporate strategy, with its flexible portfolio approach, is expected to be resilient under each of these scenarios. SEFE's volumetric supply portfolio is not over-contracted versus forecasted demand and is constructed in a way in which long-term market risk is quantified and sized appropriately for the Company's risk appetite. Flexibility (in price and delivery location, among other aspects) is a common theme in the long-term portfolio, and allows SEFE to react quickly to changes in market requirements.

Furthermore, SEFE's business areas are developing options for responding to structural market shifts. For example, under low emissions scenarios, European gas demand declines significantly over the long term, impacting revenues from fossil fuel activities and emphasising the importance of SEFE developing a low-carbon energy sales portfolio. By building this portfolio, earnings from low-carbon activities will gradually displace reduced income from fossil fuel-based activities.

This stress test analysis focuses on the expected financial outcomes of each scenario and supports the assessment of different strategic options in meeting SEFE Group's Scope 3 emission reductions goal.

### Risk management

The Group and the wider SEFE Group are committed to managing climate-related risks and opportunities in a responsible and effective manner, with a comprehensive risk management framework in place that applies to the whole SEFE Group. This framework includes the following elements:

- > **Governance:** As covered in the Governance section above, the Supervisory Board is responsible for overseeing the SEFE Group's risk management framework. The Supervisory Board has established a Risk Committee that is responsible for reviewing and approving the SEFE Group's risk appetite, policies, and procedures.
- > **Risk identification and assessment:** The SEFE Group's risk management framework includes climate-related risks.

The process to identify and assess these risks involves the following steps:

- Identifying the Company's exposure to climate-related risks. The SEFE Group faces a range of climate-related risks, including:
  - i. Physical risks such as extreme weather events, flooding and sea level rises. These risks could disrupt the SEFE Group's operations, damage its assets, and lead to financial losses; and
  - ii. Energy transition risks, including the costs of adapting to a low-carbon economy resulting from changes in regulations, market prices, and consumer preferences. These could also lead to financial losses for the SEFE Group,
- Assessing the likelihood and impact of these risks,
- Prioritising the risks based on their potential impact and likelihood on the SEFE Group.
- > **Risk mitigation:** SEFE Group is implementing a range of risk mitigation strategies to address climate-related risks. These strategies include:
  - **Energy transition risks:** the Group and the wider SEFE Group are undertaking a range of initiatives to reduce energy transition risks, including evaluating and investing in low-carbon energy, logistics decarbonisation and carbon offset opportunities.
  - **Physical risks:** the Group and the wider SEFE Group is mitigating against the risks of extreme weather events to ensure its operations are resilient to the impacts of climate change, including its logistics activities.
  - **Other risk management approaches:** Transferring the Group and the wider SEFE Group risks through instruments such as insurance also helps to protect the Group from financial losses in the event of a climate-related event.
- > **Risk monitoring and reporting:** The SEFE Group's risk management framework includes monitoring and reporting on climate-related risks.

In summary, the Group and the wider SEFE Group remain committed to managing climate-related risks in a responsible and effective manner. SEFE Group is integrating climate-related risk identification, assessment, mitigation and monitoring into its existing risk management framework. SEFE Group is also taking steps to reduce its greenhouse gas emissions and adapt to the impacts of climate change.

## Strategic report continued

### Targets and metrics

The Group and wider SEFE Group have established a set of emissions and energy transition-related targets for its businesses. The Group plays a critical role in delivering these targets through its supply, trading and optimisation activities.

The key targets are as follows:

- > **To achieve Net Zero on its Scope 1 & 2 emissions by 2045.** In support of this, SEFE Group aims to reduce Scope 1 & 2 emissions by more than 50% by 2030 in SEFE Group controlled operations and office-related activities relative to a 2021 baseline. SEFE Group remains on track to meet this 2030 emissions reduction target. The Group's contribution to this target will focus on reducing office emissions as shown in the Streamlined Energy and Carbon Reporting ("SECR") report below.
- > **To generate a 15% reduction in absolute Scope 3 GHG emissions by 2030 globally** relative to a 2021 baseline. SEFE Group's emissions are currently below this Scope 3 2030 emissions reduction target. The Group's main contribution to this target will focus on growing the Group's portfolio of low-carbon energy products, potentially enabling Scope 3 emissions reduction through customer switching to lower-carbon products.
- > **To sell in excess of 25 Terawatt hours (TWh) p.a. of low-carbon energy by 2030.** The Group will contribute towards this aim through the ongoing development of renewable power, low-carbon hydrogen and biomethane sourcing and sales activities.

### Streamlined Energy and Carbon Report (Group and Company)

The statement of carbon emissions in compliance with SECR covers energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

Reporting category	GLOBAL		UNITED KINGDOM	
	2025	2024	2025	2024
<b>Scope 1</b>				
Energy Consumption (kWh)	<b>158,643</b>	254,654	<b>67,225</b>	138,241
<b>Annual Emissions (tCO<sub>2</sub>e)</b>	<b>36.87</b>	55.07	<b>13.63</b>	28.02
<b>Scope 2</b>				
Energy Consumption (kWh)	<b>2,289,902</b>	2,163,859	<b>1,963,853</b>	1,884,450
<b>Annual Emissions (tCO<sub>2</sub>e)</b>	<b>412.74</b>	421.59	<b>327.44</b>	366.66
<b>Scope 3</b>				
Energy Consumption (kWh)	<b>22,103</b>	21,746	<b>10,985</b>	14,234
<b>Annual Emissions (tCO<sub>2</sub>e)</b>	<b>6.78</b>	5.25	<b>3.37</b>	3.43
<b>Total Scope 1 &amp; 2</b>				
Energy Consumption (kWh)	<b>2,448,545</b>	2,418,513	<b>2,031,078</b>	2,022,690
<b>Annual Emissions (tCO<sub>2</sub>e)</b>	<b>449.61</b>	476.66	<b>341.07</b>	394.68
<b>Emissions Intensity Ratio (tCO<sub>2</sub>e/employee)</b>	<b>0.51</b>	0.56	<b>0.46</b>	0.56
<b>Total Scope 1, 2 &amp; 3</b>				
Energy Consumption (kWh)	<b>2,470,648</b>	2,440,259	<b>2,042,063</b>	2,036,924
<b>Annual Emissions (tCO<sub>2</sub>e)</b>	<b>456.39</b>	481.91	<b>344.44</b>	398.11
<b>Emissions Intensity Ratio (tCO<sub>2</sub>e/employee)</b>	<b>0.51</b>	0.57	<b>0.47</b>	0.56

In 2025, the Group eliminated diesel fuel use and reduced petrol consumption in company cars by 21%.

## Strategic report continued

Overall electricity usage for offices and cars increased by 12%, with 88% of electricity now coming from renewable sources.

Scope 3 emissions from private vehicles used for business trips increased slightly.

Total emissions were reduced by 5% compared to the previous year and stand at 456 tCO<sub>2</sub>e (2024: 482 tCO<sub>2</sub>e).

### Methodology used in the calculation of disclosures

The UK-based entities within the Group comply with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Our approach to reporting is based on the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (2019) and the GHG Protocol: Corporate Accounting and Reporting Standard Revised Edition (2004).

Energy use has been reported in kWh and emissions in tCO<sub>2</sub>e, the Group's reporting period is 1 January 2025 to 31 December 2025. The SEFE Group applies an operational control approach to the calculation of its GHG emission inventory in line with many other oil and gas companies. As a result, the following emissions scopes and categories have been included for the Group:

- > **Scope 1** – Fuel combustion by company owned or leased cars and direct gas consumption for the kitchen. The Group's LNG time charters are not included as the Group does not operate these vessels (in terms of providing crew, maintaining or insuring these vessels).
- > **Scope 2** – Energy consumption (electricity and heat) in offices leased (i.e. those within the financial control boundary) by the Group.
- > **Scope 3** – Includes fuel combustion of employee cars during business trips.

The methodology used to calculate total energy consumption and carbon emissions utilises invoice data, submetering data, business transport mileage and fuel records, and UK government GHG emissions factors for company reporting of greenhouse gas emissions.

All figures have been presented as location-based emissions. Location-based emissions reflect the average emission of the grid where the energy consumption occurs and is calculated using these UK government emissions factors.

The headcount figure used in the emissions intensity ratio only includes active employees attending the office locations.

To ensure the accuracy of the Group's energy consumption and emissions calculations, SEFE Group emissions were subject to independent limited assurance.

### Energy efficiency actions

The Group is committed to responsible energy management and improving energy efficiency throughout its organisation.

Actions already taken and planned for the immediate future include:

- > The Group has had its offices certified according to BREEAM (Building Research Establishment Environmental Assessment Method). The Manchester office was awarded "Excellent," the Paris and Rotterdam offices "Very Good", and the London office "Good";
- > The new office in Singapore was awarded Green Mark Platinum according to BCA (Building Control Authority);
- > In 2025, six of the seven offices of the Group have been supplied with electricity from renewable energy sources;
- > The office in London is supplied with 100% renewable energy, and the landlord has launched a programme to replace gas systems with air source heat pumps. Around 40% of existing furniture is being reused during office upgrades, while the remaining items are either sold or donated, supporting SEFE's commitment to the circular economy. Single-use cups have been eliminated. Tap aerators have been installed and digital workflows have been adopted;

- > The Manchester office has optimised its HVAC system to better align with occupancy levels, reducing annual energy consumption. The office is also powered by 100% renewable energy;
- > The Netherlands office includes a green clause aligning with the landlord on goals for energy, waste, and water efficiency. The building is supplied with 100% renewable energy, and around 25% of the office furniture was reused from the former Den Bosch location, supporting circular economy principles;
- > The French branch achieved annual energy savings by installing LED lighting, motion sensors and smart thermostats. As part of the upcoming office expansion, around 30% of the existing furniture is to be reused;
- > The Singapore office continues to deliver strong energy performance through LED lighting, motion sensors, and automated timers that limit lighting to operational hours only.

Approved by, and signed on behalf of, the Board of Directors, in accordance with Section 414 of the Companies Act 2006.



**F Barnaud**

13 March 2026



**E Laege**

13 March 2026

# Directors' **report**

# Directors' report

## Directors and their interests

The Directors who served during the year, and up to the date of the signing of the audited Consolidated Financial Statements, were as follows:

E Laege  
F Barnaud

There are no Directors' interests in the share capital of the Company as at the date of this report requiring disclosure under the Companies Act 2006.

## Likely future developments

The likely future developments of the Group's business have been disclosed in the Strategic Report.

## Overseas branches

The Group has branch activities across Europe covering the Czech Republic, Romania, Slovak Republic, the Netherlands, Norway and France.

## Financial instruments

The Group's normal operating and financing activities expose it to a variety of financial risks. The primary financial risks are market risk (including risks from commodity prices, interest rates and foreign exchange rates), credit risk and liquidity risk. The Group's overall risk management process is designed to identify, manage and mitigate such risk. Information on the Group's exposure to financial risks and its risk management objectives and policies, including hedge accounting, can be found in note 14. The Group has chosen in accordance with section 414C(11) of the Companies Act 2006, to set out information related to financial risk management in the Group's Strategic report.

## Employees

The Directors continue to place significant value on the Group's investment in its employees and to ensure that employees are kept informed on matters affecting them, while encouraging all employees to contribute their views on the Group's strategy and performance to management. The Group also operates a compensation policy that allows employees to participate in the ongoing success of the business.

Details of how the Directors have considered employees' interests in executing the Group's strategy in the year can be found in the Strategic Report, in the S172(1) statement section.

Disabled applicants and existing disabled employees of the Group are treated fairly and on terms comparable with those of other employees. Equally, employees who become disabled during their employment receive training, where necessary, in order to promote their ongoing career development.

## Other stakeholders

Details of how the Directors have considered the Group's other stakeholders' interests in executing its strategy during the year can be found in the Strategic Report, in the S172(1) statement section.

## Corporate governance

The Group has not applied a specific corporate governance code during the year, as it seeks to align itself to the extent applicable with the corporate governance principles of the SEFE Group. This is reflective of the Group's status as a wholly owned subsidiary within the SEFE Group.

## Directors' report continued

### Qualifying third-party indemnity provisions

Qualifying third-party indemnity provisions, as defined in the Companies Act 2006, were in force during the year and up to the date of the Directors' report for the benefit of all Directors of the Company.

### Political contributions

The Group and the Company made no political donations during the year (2024: £nil).

### Statement of going concern

In the opinion of the Directors there are no reasonably plausible circumstances in which the going concern basis might not be appropriate, and as a result, these Financial Statements have been prepared on a going concern basis. Please see note 2 Basis of preparation for the Group's Statement of going concern.

### Dividends

During the year, the Company declared and paid £214.1m (2024: £nil) of dividends to its immediate parent company at time of payment, SEFE Securing Energy for Europe GmbH. Since the reporting date, no further dividends were paid or proposed.

### Streamlined Energy and Carbon Report (Company)

The statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting ("SECR") has been disclosed as part of the TCFD reporting in the Strategic Report.

### Directors' disclosure to the auditors

Each Director in accordance with Section 418 of the Companies Act 2006 has confirmed the following statement, that in respect of the audit of the Group and Company Financial Statements of SEFE Marketing & Trading Limited for the year ended 31 December 2025:

- > so far as the Director is aware there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- > he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

### Independent auditors

PricewaterhouseCoopers LLP, having expressed their willingness to continue in office, will be deemed re-appointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

The financial statements on pages 19 to 58 were approved by the Board of Directors on 13 March 2026 and signed on its behalf by



**F Barnaud**  
13 March 2026



**E Laege**  
13 March 2026

# Supplementary **financial information**

# Independent auditors' statement

## to the members of SEFE Marketing & Trading Limited

We have examined the supplementary financial information included within the Strategic Report with Supplementary Financial Information for the year ended 31 December 2025, which comprises the Group and Company Statements of financial position as at 31 December 2025, the Group and Company Statements of comprehensive income, the Group and Company Statements of cash flows and the Group and Company statements of changes in equity for the year then ended and the notes to the financial statements.

### Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the Strategic Report with Supplementary Financial Information, in accordance with the Companies Act 2006, which includes information extracted from the full Annual Report and Consolidated Financial Statements of SEFE Marketing & Trading Limited for the year ended 31 December 2025.

Our responsibility is to report to you our opinion on the consistency of the summary financial information, included within the Strategic Report with Supplementary Financial Information, with the full Annual Report and Consolidated Financial Statements.

This statement, including the opinion, has been prepared for and only for the SEFE Marketing & Trading Limited's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Basis of opinion

Our examination involved agreeing the balances disclosed in the summary financial information to full annual financial statements. Our audit report on the Group and Company's full Annual Report and Consolidated Financial Statements describes the basis of our opinion on those financial statements.

### Opinion

In our opinion the supplementary financial information is consistent with the full Annual Report and Consolidated Financial Statements of SEFE Marketing & Trading Limited for the year ended 31 December 2025.



#### **PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory auditors  
1 Embankment Place  
London  
WC2N 6RH

13 March 2026

# Statements of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2025

GROUP	Note	2025	2024
		Results for the year £'000s	Results for the year £'000s
Revenue	5	7,766,911	6,293,499
Cost of sales		(7,358,336)	(6,010,591)
<b>Gross profit</b>		<b>408,575</b>	282,908
<b>Trading and hedging activities:</b>			
Net result from trading and hedging activities	6	99,924	462,689
<b>Net income</b>		<b>508,499</b>	745,597
Administrative expenses	7	(395,100)	(447,203)
Net impairment loss on financial and contract assets	14	(7,771)	(10,623)
<b>Operating profit</b>		<b>105,628</b>	287,771
Interest income	13	20,896	29,754
Interest expense	13	(102,959)	(107,429)
Other income		7,098	3,971
<b>Profit before tax</b>		<b>30,663</b>	214,067
Tax		(3,486)	(14,651)
<b>Profit for the financial year</b>		<b>27,177</b>	199,416
Hedge reserves:			
Hedging losses recognised during the year		(13,093)	(347,241)
Tax on items taken directly to equity		32,135	5,269
Hedging losses/(gains) reclassified to profit or loss		245,268	(51,100)
Tax on items transferred from equity		6,535	(49,159)
Foreign currency translation reserve:			
Gain/(loss) on foreign currency translation		27,960	(15,232)
<b>Total other comprehensive income/(expense)<sup>1</sup></b>		<b>298,805</b>	(457,463)
<b>Total comprehensive income/(expense)</b>		<b>325,982</b>	(258,047)
<b>Total comprehensive income/(expense) attributable to:</b>			
Equity owners of the parent		325,982	(258,047)

<sup>1</sup> All amounts are subsequently reclassified to profit and loss when specific conditions are met.

COMPANY	Note	2025	2024
		Results for the year £'000s	Results for the year £'000s
<b>Trading and hedging activities:</b>			
Net result from trading and hedging activities	6	85,738	134,155
<b>Net income</b>		<b>85,738</b>	134,155
Administrative expenses	7	(195,201)	(232,295)
Net impairment loss on financial and contract assets	14	(432)	(2,070)
Income from subsidiaries		34,150	39,664
<b>Operating loss</b>		<b>(75,745)</b>	(60,546)
Interest income	13	40,717	48,863
Interest expense	13	(112,902)	(115,539)
Other income		7,098	3,971
Dividend income from subsidiaries	9	174,480	–
<b>Profit/(loss) before tax</b>		<b>33,648</b>	(123,251)
Tax		34,445	31,022
<b>Profit/(loss) and total comprehensive income/(expense) for the financial year</b>		<b>68,093</b>	(92,229)

All operations were continuing in the current and prior year. The notes on pages 23 to 58 form an integral part of the Supplementary Financial Information.

# Statements of financial position

AS AT 31 DECEMBER 2025

	Note	GROUP		COMPANY	
		2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets		71,745	57,526	61,586	36,294
Property, plant and equipment		12,606	11,040	9,661	9,668
Right-of-use assets	8	164,116	274,838	23,080	30,913
Financial assets measured at fair value	15	976,513	366,900	1,128,378	532,082
Investments in subsidiaries	9	–	–	7,957	7,957
Deferred tax assets		231,050	204,395	36,417	10,667
Other assets	13	42,940	–	7,804	–
Lease receivables	11	3,117	–	3,117	–
<b>Total non-current assets</b>		<b>1,502,087</b>	<b>914,699</b>	<b>1,278,000</b>	<b>627,581</b>
<b>Current assets</b>					
Inventories	10	712,143	937,103	667,970	887,288
Trade and other receivables	13	2,986,891	3,058,192	2,620,569	3,217,567
Lease receivables	11	776	2,291	776	2,291
Financial assets measured at fair value	15	1,473,880	1,424,264	1,834,651	2,050,347
Current tax assets		56,284	58,508	47,636	51,504
Cash pool receivables from related parties	13	–	587,890	266,055	645,109
Cash at bank and in hand	13	58,326	49,792	3,115	895
<b>Total current assets</b>		<b>5,288,300</b>	<b>6,118,040</b>	<b>5,440,772</b>	<b>6,855,001</b>
<b>Total assets</b>		<b>6,790,387</b>	<b>7,032,739</b>	<b>6,718,772</b>	<b>7,482,582</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	13	1,884,315	2,278,765	1,431,943	1,975,586
Financial liabilities measured at fair value	15	1,047,117	1,615,626	1,364,723	2,028,509
Provisions		31,319	73,716	150	210
Current tax liabilities		2,527	10,516	–	–
Loans, overdrafts and cash pool payables with related parties	13	1,569,120	818,547	2,122,710	1,501,394
Lease liabilities	11	73,332	104,735	5,498	2,748
<b>Total current liabilities</b>		<b>4,607,730</b>	<b>4,901,905</b>	<b>4,925,024</b>	<b>5,508,447</b>

	Note	GROUP		COMPANY	
		2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Non-current liabilities</b>					
Trade and other payables	13	–	–	1,132	1,477
Lease liabilities	11	108,943	184,224	25,542	30,439
Financial liabilities measured at fair value	15	447,507	427,647	573,422	504,504
Provisions		6,618	11,289	1,500	1,500
Loans	13	–	–	–	98,089
<b>Total non-current liabilities</b>		<b>563,068</b>	<b>623,160</b>	<b>601,596</b>	<b>636,009</b>
<b>Total liabilities</b>		<b>5,170,798</b>	<b>5,525,065</b>	<b>5,526,620</b>	<b>6,144,456</b>
<b>Net assets</b>		<b>1,619,589</b>	<b>1,507,674</b>	<b>1,192,152</b>	<b>1,338,126</b>
<b>Equity</b>					
Share capital		900,000	900,000	900,000	900,000
Other reserves		(51,237)	(341,498)	–	–
Foreign currency translation reserve		147,776	139,232	–	–
Retained earnings		623,050	809,940	292,152	438,126
<b>Equity attributable to:</b>					
Owners of the parent		1,619,589	1,507,674	1,192,152	1,338,126
<b>Total equity</b>		<b>1,619,589</b>	<b>1,507,674</b>	<b>1,192,152</b>	<b>1,338,126</b>

The notes on pages 23 to 58 form an integral part of the Supplementary Financial Information.

The full Consolidated Financial Statements of SEFE Marketing & Trading Limited (registered number 3768267) and of the Company were approved by the Board of Directors and authorised for issue on 13 March 2026 and signed by the Directors as a consistent extract thereof as a part of the Strategic Report with Supplementary Financial Information on 13 March 2026.

Signed on behalf of the Board



**F Barnaud**  
13 March 2026



**E Laege**  
13 March 2026

# Statements of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2025

GROUP	Share capital £'000s	Other reserves £'000s	Foreign currency translation reserve £'000s	Retained earnings £'000s	Total equity £'000s
<b>Balance at 1 January 2024</b>	<b>900,000</b>	<b>111,299</b>	<b>154,464</b>	<b>610,524</b>	<b>1,776,287</b>
Profit for the year	–	–	–	199,416	199,416
Other comprehensive expense	–	(442,231)	(15,232)	–	(457,463)
<b>Total comprehensive (expense)/income</b>	<b>–</b>	<b>(442,231)</b>	<b>(15,232)</b>	<b>199,416</b>	<b>(258,047)</b>
Currency translation difference	–	(10,566)	–	–	(10,566)
<b>Balance at 31 December 2024</b>	<b>900,000</b>	<b>(341,498)</b>	<b>139,232</b>	<b>809,940</b>	<b>1,507,674</b>
Profit for the year	–	–	–	27,177	27,177
Other comprehensive income	–	270,845	27,960	–	298,805
<b>Total comprehensive income</b>	<b>–</b>	<b>270,845</b>	<b>27,960</b>	<b>27,177</b>	<b>325,982</b>
Currency translation difference	–	19,416	(19,416)	–	–
Dividend paid	–	–	–	(214,067)	(214,067)
<b>Balance at 31 December 2025</b>	<b>900,000</b>	<b>(51,237)</b>	<b>147,776</b>	<b>623,050</b>	<b>1,619,589</b>

COMPANY	Share capital £'000s	Retained earnings £'000s	Total equity £'000s
<b>Balance at 1 January 2024</b>	<b>900,000</b>	<b>530,355</b>	<b>1,430,355</b>
Loss and total comprehensive expense for the year	–	(92,229)	(92,229)
<b>Balance at 31 December 2024</b>	<b>900,000</b>	<b>438,126</b>	<b>1,338,126</b>
Profit and total comprehensive income for the year	–	68,093	68,093
Dividend paid	–	(214,067)	(214,067)
<b>Balance at 31 December 2025</b>	<b>900,000</b>	<b>292,152</b>	<b>1,192,152</b>

The notes on pages 23 to 58 form an integral part of the Supplementary Financial Information.

# Statements of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	GROUP		COMPANY	
		2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Operating activities</b>					
Operating profit/(loss)		<b>105,628</b>	287,771	<b>(75,745)</b>	(60,546)
Depreciation of property, plant and equipment and right-of-use assets		<b>104,081</b>	98,403	<b>7,555</b>	6,284
Amortisation of intangible assets		<b>13,888</b>	21,069	<b>13,814</b>	11,859
Unrealised fair value movements in items measured at fair value		<b>70,999</b>	106,664	<b>34,622</b>	117,355
Other unrealised movements		<b>10,307</b>	(23,141)	<b>2,331</b>	(8,079)
(Decrease)/increase in provisions		<b>(47,068)</b>	(112,859)	<b>(60)</b>	11
Other income		<b>7,098</b>	3,971	<b>7,098</b>	3,971
Net impairment loss on financial and non-financial assets		<b>7,771</b>	10,623	<b>432</b>	2,070
<b>Operating cash flows before movements in working capital</b>		<b>272,704</b>	392,501	<b>(9,953)</b>	72,925
Decrease in inventories		<b>224,960</b>	792,352	<b>219,318</b>	770,090
Decrease/(increase) in receivables		<b>38,648</b>	(434,161)	<b>576,910</b>	(1,241,653)
(Decrease)/increase in payables		<b>(389,662)</b>	417,285	<b>(522,264)</b>	343,593
(Decrease)/increase in items measured at fair value through profit or loss		<b>(1,024,215)</b>	53,895	<b>(1,010,088)</b>	5,658
<b>Cash (used in)/generated from operations</b>		<b>(877,565)</b>	1,221,872	<b>(746,077)</b>	(49,387)
Interest income received		<b>21,703</b>	28,908	<b>45,947</b>	54,649
Income taxes paid		<b>(10,426)</b>	(134,661)	<b>(633)</b>	(33,678)
<b>Net cash (used in)/generated from operating activities</b>		<b>(866,288)</b>	1,116,119	<b>(700,763)</b>	(28,416)

	Note	GROUP		COMPANY	
		2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Investing activities</b>					
Dividend income received	9	–	–	<b>174,480</b>	–
Net movement in cash pool receivables	12	<b>587,890</b>	(97,348)	<b>379,054</b>	391,270
Interest received on lease receivables	11	<b>145</b>	31	<b>145</b>	31
Purchases of property, plant and equipment		<b>(4,856)</b>	(3,450)	<b>(2,593)</b>	(3,409)
Purchases of intangible assets		<b>(47,660)</b>	(23,558)	<b>(39,106)</b>	(14,323)
Proceeds from lease agreements	11	<b>2,030</b>	1,169	<b>2,030</b>	1,169
<b>Net cash generated from/(used in) investing activities</b>		<b>537,549</b>	(123,156)	<b>514,010</b>	374,738
<b>Financing activities</b>					
(Repayment)/drawdown of loans and cash pool payables from subsidiary companies	13	–	–	<b>(227,485)</b>	596,848
Interest and banking charges paid		<b>(97,670)</b>	(99,018)	<b>(119,914)</b>	(119,304)
Repayment of obligations under lease agreements		<b>(98,360)</b>	(105,423)	<b>(3,077)</b>	(6,517)
Interest paid on lease payables	11	<b>(8,204)</b>	(9,940)	<b>(1,530)</b>	(214)
Drawdown/(repayment) of loan and cash pool payables from SEFE	12	<b>754,879</b>	(839,841)	<b>754,879</b>	(839,841)
Dividends paid		<b>(214,067)</b>	–	<b>(214,067)</b>	–
<b>Net cash generated from/(used in) financing activities</b>		<b>336,578</b>	(1,054,222)	<b>188,806</b>	(369,028)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,839</b>	(61,259)	<b>2,053</b>	(22,706)
Exchange gain/(loss) on cash and cash equivalents		<b>375</b>	(691)	<b>117</b>	(388)
Movement in loss allowance for cash and cash equivalents		<b>320</b>	–	<b>50</b>	–
<b>Cash and cash equivalents at the beginning of the year</b>		<b>49,792</b>	111,742	<b>895</b>	23,989
<b>Cash and cash equivalents at the end of the year</b>		<b>58,326</b>	49,792	<b>3,115</b>	895

The notes on pages 23 to 58 form an integral part of the Supplementary Financial Information.

# Notes to the supplementary financial information

YEAR ENDED 31 DECEMBER 2025

## 1. Corporate information

SEFE Marketing & Trading Limited is a private company limited by shares incorporated and domiciled in England and Wales at 20 Triton Street, London, NW1 3BF. The principal activities of the Group and Company are referred to in the Strategic Report on page 1.

## 2. Basis of preparation

### Statement of compliance

The Group's and Company's Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The primary statements in this Annual Report and Financial Statements are presented in accordance with International Accounting Standard ("IAS") 1 Presentation of financial statements.

The Strategic Report with Supplementary Financial Information is made up of the Strategic Report and summary financial information extracted from the full Annual Financial Statements and has been prepared in accordance with the requirements of the Companies Act 2006 section 426A. It does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006. Audited statutory accounts for the year ended 31 December 2025 are delivered to the Registrar of Companies in England and Wales in accordance with section 441 of the UK Companies Act 2006. The Auditors' Report on those accounts was unqualified and the auditors' statement under section 496 of the Companies Act 2006 was unqualified.

### Basis of measurement

The Financial Statements have been prepared using the historical cost basis, modified for certain financial instruments and inventories measured at fair value, and using the going concern basis as disclosed below.

### Statement of going concern

In preparing these Financial Statements on a going concern basis, the Group has prepared a base case liquidity forecast which takes into account current trading positions, forecast market prices and current cash and available facilities.

In addition, the Group has modelled cash flows under severe but plausible downside scenarios by calculating a Liquidity Risk Reserve ("LRR") projection and overlaying this to the base case liquidity forecast. The LRR calculation is undertaken in order to determine the level of funding facilities the Group requires to have in place in order to cover certain potential downside scenarios and be able to continue trading.

The LRR is determined by a Monte Carlo simulation set at a 95% confidence level using scenarios covering market, credit and operational risks. Under the LRR calculation methodology, market risk scenarios are based on market value at risk ("MVaR") and cash margin at risk ("CMaR") metrics and include stresses against the Group's material energy commodity market exposures. Operational and credit risks are focused on increases in initial margin requirements for exchange trading, as well as additional negative credit events based on credit value at risk ("CVaR") metrics.

Through intercompany agreements with its intermediate parent company SEFE, the Group and Company have access to committed facilities of €2.6bn until June 2028 and a cash pool facility of €1.1bn.

As of the date of approval of these Financial Statements, the Group and the Company have sufficient cash and access to funding from SEFE, as described above, to meet the needs of both the base case cash flow profile and the LRR overlay scenario, for the foreseeable future. As a result, the Directors have prepared the Financial Statements on a going concern basis.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 3. Summary of material accounting policies

These policies have been consistently applied to all the years presented.

### Consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and its subsidiaries made up to 31 December each year. Subsidiaries are all entities over which the Group has control.

The Group controls an entity when the Group (i) has power over the entity, (ii) is exposed to, or has rights to, variable returns from its involvement with the entity and (iii) has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated Statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. The Financial Statements of overseas subsidiaries are translated into Great British Pounds ("Sterling") as described below in the Foreign currency accounting policy.

### Investment in subsidiaries

Investments in subsidiaries are carried in the Company Financial Statements at cost less provision for impairment.

### Revenue recognition

Revenue consists of amounts recognised in relation to the Group's Retail gas and electricity supply contracts, and the Group's physical LNG activities. Revenue is recognised on an accruals basis as performance obligations are satisfied, either at a point in time or over time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Given the straightforward nature of the contractual terms within the respective revenue streams, the Group does not expect significant uncertainty over the timing or amount of revenue.

### SEFE Energy

Performance obligations for SEFE Energy's gas and electricity supply contracts; gas storage; and transportation contracts are satisfied over time, as the goods or services are supplied over the term of the contract and control is transferred. Progress is measured using either the output method or the invoiced amount when applicable, to reflect the value to the customer of the Group's performance completed to date.

For SEFE Energy's gas and electricity supply contracts, the performance obligations reflect delivery of the respective products over the life of the contract. The transaction price allocated to the performance obligation is the contractually agreed price per unit. This is the amount of consideration the Group expects to receive, net of discounts, rebates, VAT and other sales taxes or duty. There is no variable price element in the performance obligations.

Revenue for energy supply activities in SEFE Energy's contracts includes an assessment of energy supplied to customers between the date of the last meter reading and the year-end (this value must be estimated as most meters will not be read on the year-end date). This estimate for unread gas and electricity meters is based upon historical consumption patterns. Such amounts are recognised within contract assets (accrued income) until they are invoiced, at which point they become trade receivables (being an unconditional right to receive consideration).

Contract assets also arise when contract modifications on "blend and extend" contracts are treated as a separate contract, when a customer extends the term of an existing supply contract at a lower rate to the original contract and is charged at a blended rate of the original and new contract.

This treatment results in revenue being recognised at the contractual rate on the original contract for the remaining original contractual period, with the customer being invoiced at the new, comparatively lower blended rate.

When the original contract expires and the extension contract begins, revenue will be recognised at the lower contractual rate of the extension contract, whilst the customer is invoiced at the comparatively higher blended rate, realising the contract assets.

Contract liabilities (deferred income) arise when customers prepay for gas and power. Revenue is subsequently recognised when the performance obligations are satisfied i.e. when the products are delivered.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 3. Summary of material accounting policies continued

### Revenue recognition continued

#### LNG

The transaction price is the contractually agreed price for the satisfaction of the respective performance obligations. This is the amount of consideration the Group expects to receive, net of goods and services tax, rebates and discounts.

Performance obligations for physical LNG activities are satisfied at a point in time, when control of the goods is transferred to the customer, per the contractual Incoterms. The transaction price is allocated to this performance obligation.

There are no significant financing components in the Group's contracts with customers, as payment is usually due within 20 days.

#### Cost of sales

Cost of sales includes the cost of LNG, SEFE Energy's gas and electricity purchased during the period and related transportation, distribution costs, balancing charges, bought-in materials, costs of emissions certificates to satisfy regulatory requirements and other services. It also includes the net costs of chartering and sub-chartering of vessels which are not captured within the scope of IFRS 16: Leases (refer to the accounting policy on leases below).

#### Net result from trading and hedging activities recognition

Net result from trading and hedging activities comprises the results of the Group's principal activities, which are the marketing and trading of energy products, except those arising from retail gas and electricity contracts and physical LNG activities.

Net result from trading and hedging activities includes:

- > Amounts arising from transactions entered into to optimise the performance of the Group's energy portfolio, including sale and purchase transactions for commodities. Where these contracts can be settled net in cash, the Group is required by IFRS 9 to recognise them in the Statement of financial position at fair value, with movements in fair value recognised in the Statement of comprehensive income within Net result from trading and hedging activities.

- > Income arising from agreements to purchase and re-sell commodities.
- > Amounts released from cash flow hedge reserves. The timing of these releases is matched to the impact of the hedged cargoes on the Statement of comprehensive income.
- > Any hedge ineffectiveness arising from cash flow hedges.
- > Revenues and costs of complementary contracts which are not within the scope of IFRS 9. These include products which are considered to be part of the Group's trading activities; certain emission certificates; and gas and other energy storage and transportation capacities against which revenue is recognised on an accrual basis. Revenue in respect of these is recognised as set out in the Revenue recognition accounting policy.

#### Right-of-use assets

Right-of-use assets are recognised to represent those assets to which the Group has access to under lease contracts. They are measured at cost, comprising:

- > the amount of initial measurement of the corresponding lease liability;
- > any lease payments made at or before the commencement date less any lease incentives received;
- > any initial direct costs; and
- > an estimate of any restoration costs.

Right-of-use assets are depreciated through administrative expenses over the lease term on a straight-line basis, as each asset's useful life is considered equal to or greater than the lease term.

In instances where the timing of cash flows under the lease has changed or the total expected cash flows have changed due to the exercise of extension or termination options, or other lease modifications which have not been accounted for as separate leases, the right-of-use asset is adjusted in an amount corresponding to the amount of change in the lease liability.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 3. Summary of material accounting policies continued

### Inventories

The valuation approach for the Group's inventories is based on the Group's specific activities in relation to each product. Physical commodities principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-trader's margin are held at fair value less costs to sell. These commodities include physical gas, LNG which is held in on-shore tanks at regasification facilities, metals and emissions allowances traded in an active market. Movements in the fair value of inventory between reporting dates are recognised within Net result from trading and hedging activities. The fair value of physical gas, metals and emission allowances is measured at the price for the soonest available delivery of the respective commodity at the reporting date. The fair value of LNG in tank held in on-shore tanks is measured by reference to the sale price expected to be achieved once it is regasified.

LNG inventory being transported on LNG carriers, and emissions certificates for which an active market does not exist, are held at the lower of cost and net realisable value. Net realisable value is the price at which inventory can be sold in the ordinary course of business after allowing for the estimated costs of sale. Bunker fuel and LNG heel for chartered vessels are recorded at the lower of cost and net realisable value.

### Gas storage

Physical gas storage contracts are treated as executory contracts and carried at amortised cost. Inventory stored in this manner is accounted for separately from the storage contract.

Virtual gas storage contracts are treated as financial instruments held at fair value with gains and losses reported through Net result from trading and hedging activities. Any inventory placed within virtual storage arrangements is derecognised in Inventory from the Statement of financial position, and a corresponding financial asset receivable is recorded.

Where virtual gas storage capacity has been sold and the Group has received gas inventory under the arrangement, a financial liability measured at the fair value of the gas to be returned to the counterparty is recorded.

### Cash and cash equivalents

Cash comprises cash in hand and demand deposits, excluding cash required as margin held with brokers. Cash equivalents comprise short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value and have an original maturity of three months or less.

### Cash pool balances with related parties

The SEFE Group operates a cash pool structure for the majority of bank accounts held by entities in the SEFE Group, including the Company and its subsidiaries. Under this structure, balances on these accounts are transferred to bank accounts of SEFE at the end of each banking day, with a corresponding cash pool asset or liability created. These balances are repayable on demand and operate to all intents and purposes in the same manner as bank accounts. However, because the counterparties for these assets and liabilities are other SEFE Group companies, not banks, it is considered more appropriate to present asset balances as receivables rather than cash or cash equivalents, and liability balances as payables rather than overdrafts. All balances are measured at amortised cost.

### Trade payables, loans and receivables

Trade payables and loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade receivables are initially recognised at the amount of consideration that is unconditional, less expected credit losses, unless they contain a significant financing component in which case they are recognised at fair value.

### Leases

The Group leases various offices, vessels, equipment and vehicles for fixed periods of up to 10 years. The vessels are used for the purpose of transporting LNG in the Group's Global LNG and Shipping business.

For vessels, the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. For all other classes of right-of-use assets, the Group has elected not to separate non-lease components from lease components, and instead accounts for these as a single lease component.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 3. Summary of material accounting policies continued

### Leases continued

#### Lessee

Where the Group is the lessee, it recognises a right-of-use asset and a corresponding lease liability in the Statement of financial position on the date that the leased asset is made available for use to the Group.

Lease liabilities are initially measured at the present value of the lease payments. Where contracts for property or vessels contain both lease and non-lease components, the Group includes only the lease components in determining lease liabilities, applying judgement to separate these where necessary. For other leased assets, the Group applies the practical expedient in IFRS 16 to account for the entire contract as a single lease component.

Measurement of right-of-use assets is set out in the right-of-use assets accounting policy.

Where the lease contains extension or termination options, the lease term is determined to be the non-cancellable period of the lease plus any additional period where the Group is reasonably certain to exercise an extension option or not to exercise a termination option.

The Group makes use of the exemption under IFRS 16 for short-term leases, under which payments for leases with a term shorter than 12 months are recognised on a straight-line basis through the Statement of comprehensive income. No right-of-use asset is recognised in these instances.

Where possible, lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the lessee's incremental borrowing rate is used. This is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- > Uses a bottom-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, and
- > Makes adjustments specific to the lease, e.g. term, country, currency and security.

#### Lessor

The Group acts as an intermediate lessor by subleasing vessels to external counterparties and subleasing office space to both related and unrelated counterparties. A sublease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the related asset to the lessee; otherwise it is classified as an operating lease, with the transfer of risks and rewards assessed with reference to the term of the head lease, rather than the useful economic life of the underlying asset.

#### a) Finance leases

Assets held under finance leases are presented as receivables in the Statement of financial position at an amount equal to the net investment in the lease. Finance income recognition is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

#### b) Operating leases

Payments received under operating leases, net of lease incentives or premiums, are recognised in the Statement of comprehensive income on a straight-line basis over the period of the lease.

#### Foreign currency

##### a) Functional and presentation currency

The Financial Statements of the Group and Company are presented in Sterling, which is also the functional currency of the Company.

All currency amounts in the Financial Statements are rounded to the nearest thousand Sterling unless stated otherwise.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 3. Summary of material accounting policies continued

### Foreign currency continued

#### b) Translation of transactions and balances

Foreign currency transactions are translated into the functional currency of the transacting entity using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date into the functional currency of the entity that holds them using the exchange rates prevailing at that date. Resulting exchange differences are recognised in the Statement of comprehensive income.

#### c) Translation of subsidiaries' results

For subsidiaries of the Company that have a functional currency other than Sterling:

- > Total comprehensive income is translated into Sterling using the average exchange rates for the year and assets and liabilities are translated using the closing exchange rates for the year. Resulting exchange differences are recognised in other comprehensive income and accumulated in the Foreign currency translation reserve.
- > Equity balances are translated using the closing exchange rates for the year. Resulting exchange differences are recognised directly within equity.

### Financial and non-financial instruments within the scope of IFRS 9

Trading assets and liabilities are recognised in the Statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or when the Group transfers the financial asset and substantially all the risk and rewards of ownership to another party.

Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

The Group determines the classification of its financial assets and financial liabilities at initial recognition. Financial assets within the scope of IFRS 9 are classified at amortised cost, fair value through profit or loss or fair value through other comprehensive income, on the basis of the business model within which they are held, and their contractual cash flow characteristics. Financial liabilities within the scope of IFRS 9 are classified as held at amortised cost, unless they are held for trading in which case they are classified as at fair value through profit or loss.

### Trading contracts at fair value through profit and loss

Trading assets and liabilities are carried in the Statements of financial position at fair value with gains or losses recognised in the Statements of comprehensive income within Net result from trading and hedging activities, except for certain financial instruments designated as hedging instruments. Financial assets or financial liabilities classified as held for trading are recognised on trade date at fair value (as described in more detail below), usually being the transaction price excluding transaction costs.

These transaction costs are included within Net result from trading and hedging activities in the Statement of comprehensive income. The determination of fair value and the treatment of financial instruments designated as hedging instruments are described below.

Retail energy supply contracts are not accounted for under the scope of IFRS 9 and are treated as executory contracts, as they are entered into for the purpose of receipt or delivery of the underlying commodity in order to meet the Group's expected own-use requirements. Other than this, the Group enters into contracts to buy or sell commodities for trading purposes. Even though the majority of these contracts are physically delivered, where such contracts are deemed to be capable of net settlement, for example where the commodity is deemed to be readily convertible to cash, they are treated as financial assets or liabilities within the scope of IFRS 9 and measured at fair value with associated gains or losses recognised directly in the Statement of comprehensive income within Net result from trading and hedging activities.

Where agreements to purchase and re-sell a commodity are entered into simultaneously with the same counterparty, these are treated as linked transactions. Rather than recognise purchased inventory and a derivative sale contract, a receivable is recognised for the re-sale amount, with the difference between the purchase and sale amounts recognised as trading income over the term of the deal.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 3. Summary of material accounting policies continued

### Financial and non-financial instruments within the scope of IFRS 9 continued

#### Financial assets and liabilities at amortised cost

Financial assets held within a business model where the objective is to collect contractual cash flows, and such contractual cash flows are solely payments of principal and interest, are classified as assets held at amortised cost.

They are initially recognised on settlement date at fair value, plus any directly attributable transaction costs. They are subsequently measured at amortised cost, using the effective interest rate method, less an allowance for expected credit losses.

Financial liabilities which are not held for trading are classified as liabilities held at amortised cost. They are initially recognised on settlement date at fair value, less any directly attributable transaction costs, and subsequently measured at amortised cost, using the effective interest rate method.

Trade and other receivables, and short-term payables, for which the effect of discounting would be immaterial, are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

Interest is recognised in the Statement of comprehensive income within Interest income or Interest expense as appropriate.

#### Fair value

The Group uses various methods to determine the fair value of items for both initial recognition and subsequent measurement.

At the close of business on the reporting date, the fair value of assets traded in an active market is determined by reference to the bid price for net open asset positions; the ask price for net open liability positions; and mid-market prices where there are assets and liabilities with offsetting risks.

Where the instrument is not traded in an active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially similar, discounted cash flow analysis and option pricing models.

The Group endeavours to utilise valuation techniques that maximise dependence on market observable inputs and minimise the use of unobservable inputs. Refer to note 16 for further details on the Group's use of fair value measurement.

#### Treatment of "day-one" gains and losses

In the normal course of its business, the Group will acquire non-financial and financial instruments where there is evidence that the fair value at inception of the transaction is different to the transaction price.

- > For certain transactions, the fair value at inception is based on other observable market data for the same instrument or calculated using a valuation technique where all input variables are based on observable market data. When such a valuation indicates that the fair value is different to the transaction price, the Group recognises a "day-one" gain or loss at inception within Net result from trading and hedging activities.
- > When significant unobservable data is used to determine the fair value at inception, the difference between the transaction price and the calculated fair value is not recognised immediately. These "day-one" gains or losses are deferred and recognised in Net result from trading and hedging activities on a straight-line or other appropriate systematic basis as observable market data becomes available.

#### Embedded derivatives

Derivatives embedded in financial liability contracts or non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value, with gains or losses reported within Net result from trading and hedging activities.

The nature of embedded derivatives is reassessed when there is a change in the terms of the contract which significantly modifies its future cash flows.

Where a contract contains one or more embedded derivatives, and providing that the embedded derivative significantly modifies the cash flows under the contract, the option to fair value the entire contract may be taken and the contract will be recognised at fair value with changes in fair value recognised in Net result from trading and hedging activities.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 3. Summary of material accounting policies continued

### Financial and non-financial instruments within the scope of IFRS 9 continued

#### Offsetting of balances

Financial and non-financial assets and liabilities are reported on a net basis only where there is a currently enforceable legal right of offset and there is an intention to settle on a net basis.

#### Impairment of financial assets and expected credit loss model

The Group applies an expected loss model for the impairment of financial assets which are not measured at fair value through profit and loss. The Group has the following types of financial instruments that are subject to the expected credit loss model:

- > Trade and other receivables
- > Finance lease receivables
- > Contract assets
- > Financial guarantee contracts
- > Cash and cash equivalents
- > Cash pool receivables from related parties

The measurement of expected credit losses on financial assets and financial guarantee contracts is based on the term of the asset, the credit quality of the obligor and assumptions about the future risk of default and expected loss rates. The Group uses judgement in making these assumptions; selecting the inputs to the impairment calculation based on the Group's past credit loss experience, existing market conditions, and forward-looking estimates at the end of each reporting period.

For details of the key assumptions and inputs used, see note 14 on credit risk.

Expected credit losses arising on inception of an asset, and any subsequent increases or reversals, are recognised in the Statement of comprehensive income and are reflected in the carrying amount of the asset on the Statement of financial position. Reversals of expected credit losses occur when the expected credit loss decreases as a result of changes in inputs regarding risk of default and expected loss rates.

Where recoveries of actual credit losses are achieved from independent credit enhancements (e.g. guarantees), those inflows are accounted for independently from the original exposure.

The Group applies the simplified approach, as described by IFRS 9, to measure expected credit losses for trade and other receivables and contract assets. The simplified approach permits the use of a lifetime expected loss allowance.

For lease receivables, cash and cash equivalents, cash pool receivables from related parties and financial guarantee contracts, the Group measures the loss allowance at the 12-month expected credit loss amount unless there has been a significant increase in credit risk since initial recognition. Where there has been a significant increase in credit risk since initial recognition, the lifetime expected loss model is applied.

#### Expected credit loss methodology

For trade receivables in the Retail business, for which the counterparties tend to be of lower credit quality, where the balance is considered to be at an increased risk of default, specific loss allowance provisions are applied using assumptions based on past history, existing market conditions and forward-looking estimates.

For all other balances, the loss allowance is based on the counterparty's probability of default ("PD"), multiplied by the loss given default rate ("LGD"), multiplied by the credit exposure. The approach uses both historical and forward-looking data such as credit ratings, audited Annual Financial Statements, credit default swaps pricing and industry and company-specific analysis of the counterparty's future prospects.

#### Hedge accounting

IFRS 9 sets out the criteria for the application of hedge accounting. A key requirement is that the hedging relationship must be documented in detail and an economic relationship between the hedged item and hedging instrument be demonstrated.

The Group uses certain financial and non-financial instruments to hedge exposures to financial risks, such as commodity price risks and foreign exchange risks which arise in the normal course of business.

All such hedging instruments are measured at fair value upon initial recognition and are re-measured to fair value at each subsequent reporting date.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 3. Summary of material accounting policies continued

### Hedge accounting continued

For those instruments designated as hedges, the hedging relationship is documented at its inception. This documentation identifies the Group's risk management strategy and objective for undertaking the hedge. It also includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including an analysis of sources of hedge ineffectiveness and how the hedge ratio is determined.

For the purpose of hedge accounting, hedges are classified as:

- > fair value hedges when hedging exposure to changes in the fair value of a recognised asset, liability, or firm commitment; or
- > cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The treatment of gains and losses arising from the revaluation of hedging instruments depends on the nature of the hedging relationship.

### Cash flow hedges

Cash flow hedges are used to hedge the risk of variability in cash flows related to an asset or liability carried on the Statement of financial position or a highly probable forecast transaction. The Group applies cash flow hedging to purchases and sales of LNG, as well as purchases of natural gas and power to fulfil the sale requirements of SEFE Energy.

For all hedged risk exposures for which hedge accounting has been applied, the Group considers that an economic relationship exists between the hedged item and the hedging instruments, as the hedging instruments used are economically related to the underlying hedged risk.

The Group assesses hedge effectiveness on a qualitative basis where the critical terms of the hedging instrument and the hedged item either match or are closely aligned. Retrospective hedge effectiveness testing is also used to support the assertion that the effectiveness requirements are met on an ongoing basis.

The Group has prepared the documentation required by IFRS 9 defining the hedging strategy, hedging instrument, hedged item and hedge effectiveness testing methodology used for each of these hedging strategies.

The effective portions of changes in the fair value of instruments that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in Net result from trading and hedging activities.

Amounts deferred in equity are recycled to the Statement of comprehensive income in the periods during which the hedged item is recognised in the Statement of comprehensive income. When the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred are transferred from equity and included in the initial measurement of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the risk management objective for the hedge relationship has changed, the hedging instrument expires, is sold, terminated, exercised or the hedge relationship no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time is recognised:

- > Immediately, if either:
  - the forecast transaction is no longer expected to occur, or
  - the amount deferred in equity is a loss that is not expected to be recovered in a future period(s).
- > Otherwise, when the forecast transaction is ultimately recognised in the Statement of comprehensive income.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 4. Impact of changes in accounting policy

The Group has fully adopted the requirements of all new accounting standards, amendments and interpretations which are mandatory for this reporting period and had not previously been early adopted. These did not have a material impact on the Group in the current reporting period.

The Group has not early adopted the requirements of any standard, amendment or interpretation which is not mandatory for the reporting period.

The IASB has issued IFRS 18 – Presentation and Disclosure in Financial Statements, which is not yet effective but is expected to have an effect on the Company's future financial statements. When it is adopted, this standard is expected to result in some changes to the presentation of the Company's primary financial statements, in particular the Statement of comprehensive income. The Company is still in the process of assessing the exact effect of this standard, which is not yet endorsed for use in the UK. Based on the effective dates of the standard as issued by the IASB, application of IFRS 18 is required no later than the financial year ending 31 December 2027, although early adoption is permitted.

The IASB has also issued IFRS 19 – Subsidiaries without Public Accountability: Disclosures. Application of IFRS 19 is not mandatory, and it is not currently endorsed for use in the UK. At present the Company has no plans to apply this standard.

## 5. Revenue

### a) Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and predominantly at a point in time in respect of the following:

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
SEFE Energy	2,432,296	2,305,765	–	–
LNG	5,334,615	3,987,734	–	–
	7,766,911	6,293,499	–	–

### b) Assets and liabilities related to contracts with customers

The Group has recognised the following contract assets and contract liabilities related to contracts with customers:

	Note	GROUP		COMPANY	
		2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Total contract assets	13	232,641	250,352	–	–

	Note	GROUP		COMPANY	
		2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Total contract liabilities	13	11,216	12,032	–	–

In the current and the prior year, revenue recognised included the release of the total opening balance of contract liabilities, as the Group satisfied its performance obligations of supplying gas and power to customers who had previously prepaid.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 5. Revenue continued

### b) Assets and liabilities related to contracts with customers continued

Contract liabilities arise when customers prepay for supply, or when the amount invoiced exceeds the revenue recognised in line with contract progress based on the input method.

The nature of contract assets and contract liabilities are described in the revenue recognition section of note 3.

### c) Remaining performance obligations

The Group has taken advantage of the practical expedient in IFRS 15 and as such does not disclose its remaining performance obligations where they fulfil either of the following conditions:

- > It is part of a contract which has an expected duration of one year or less; or
- > Revenue from the satisfaction of the performance obligation is recognised based on the invoiced amount.

## 6. Net result from trading and hedging activities

Included within Group 'Net result from trading and hedging activities' is a net gain of £79.9m (2024: £440.8m net gain) relating to trading contracts mandatorily measured at fair value through profit or loss, and Group revenue from gas storage and transportation of £20.0m (2024: £21.9m).

Included within Company 'Net result from trading and hedging activities' is a net gain of £62.2m (2024: £107.8m net gain) relating to trading contracts mandatorily measured at fair value through profit or loss, and Company revenue from gas storage and transportation of £23.5m (2024: £26.4m).

## 7. Administrative expenses

Note	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Administrative expenses</b>				
Staff costs	<b>181,124</b>	200,472	<b>111,138</b>	128,413
Other employee costs	<b>23,314</b>	32,247	<b>15,388</b>	25,363
Office costs	<b>61,735</b>	81,187	<b>40,713</b>	55,373
Rentals under short-term leases	<b>144</b>	98	<b>25</b>	61
Travel expenses	<b>4,664</b>	3,511	<b>2,116</b>	1,696
Consultancy	<b>4,293</b>	8,540	<b>3,286</b>	2,167
Auditors' remuneration	<b>1,857</b>	1,676	<b>1,166</b>	1,079
Depreciation	<b>104,081</b>	98,403	<b>7,555</b>	6,284
Amortisation	<b>13,888</b>	21,069	<b>13,814</b>	11,859
	<b>395,100</b>	447,203	<b>195,201</b>	232,295

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 8. Right-of-use assets

GROUP	Leasehold properties £'000s	Vessels £'000s	Office equipment £'000s	Vehicles £'000s	Total £'000s
<b>Cost</b>					
At 1 January 2024	39,253	433,522	52	–	472,827
Additions	–	38,376	–	–	38,376
Remeasurement	28,567	–	–	–	28,567
Currency translation	9	7,117	1	–	7,127
<b>At 1 January 2025</b>	<b>67,829</b>	<b>479,015</b>	<b>53</b>	<b>–</b>	<b>546,897</b>
Additions	5,278	–	–	801	6,079
Derecognition due to sublease	(3,809)	–	–	–	(3,809)
Retirement of assets	(7,182)	(50,235)	(50)	–	(57,467)
Remeasurement	2,265	–	–	–	2,265
Currency translation	(341)	(32,588)	(3)	–	(32,932)
<b>At 31 December 2025</b>	<b>64,040</b>	<b>396,192</b>	<b>–</b>	<b>801</b>	<b>461,033</b>
<b>Accumulated depreciation</b>					
At 1 January 2024	25,324	147,191	36	–	172,551
Charge for the year	5,871	89,503	10	–	95,384
Currency translation	10	4,113	1	–	4,124
<b>At 1 January 2025</b>	<b>31,205</b>	<b>240,807</b>	<b>47</b>	<b>–</b>	<b>272,059</b>
Charge for the year	7,063	93,865	6	99	101,033
Retirement of assets	(7,182)	(50,235)	(50)	–	(57,467)
Currency translation	(314)	(18,391)	(3)	–	(18,708)
<b>At 31 December 2025</b>	<b>30,772</b>	<b>266,046</b>	<b>–</b>	<b>99</b>	<b>296,917</b>
<b>Net book value</b>					
<b>At 31 December 2025</b>	<b>33,268</b>	<b>130,146</b>	<b>–</b>	<b>702</b>	<b>164,116</b>
<b>At 31 December 2024</b>	<b>36,624</b>	<b>238,208</b>	<b>6</b>	<b>–</b>	<b>274,838</b>

COMPANY	Leasehold properties £'000s	Vehicles £'000s	Total £'000s
<b>Cost</b>			
At 1 January 2024	23,397	–	23,397
Remeasurement	28,567	–	28,567
<b>At 1 January 2025</b>	<b>51,964</b>	<b>–</b>	<b>51,964</b>
Additions	–	689	689
Derecognition due to sublease	(3,809)	–	(3,809)
Remeasurement	242	–	242
<b>At 31 December 2025</b>	<b>48,397</b>	<b>689</b>	<b>49,086</b>
<b>Accumulated depreciation</b>			
At 1 January 2024	17,347	–	17,347
Charge for the year	3,704	–	3,704
<b>At 1 January 2025</b>	<b>21,051</b>	<b>–</b>	<b>21,051</b>
Charge for the year	4,869	86	4,955
<b>At 31 December 2025</b>	<b>25,920</b>	<b>86</b>	<b>26,006</b>
<b>Net book value</b>			
<b>At 31 December 2025</b>	<b>22,477</b>	<b>603</b>	<b>23,080</b>
<b>At 31 December 2024</b>	<b>30,913</b>	<b>–</b>	<b>30,913</b>

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 9. Investments in subsidiaries

Details of the Company's subsidiaries at 31 December 2025 are as follows. The Company has no other related undertakings:

Name of subsidiary	Registered address	Place of incorporation and operation	Business activity	Ordinary shares owned	Proportion of voting power	Holding type
SEFE LNG Limited	20 Triton Street, London, NW1 3BF	England and Wales	Energy trading	100%	100%	Direct
SEFE Energy Limited	20 Triton Street, London, NW1 3BF	England and Wales	Energy supply	100%	100%	Direct
SEFE Energy SAS	155 – 159 rue Anatole France – Bâtiment B, Levallois-Perret, 92300, Paris	France	Energy supply	100%	100%	Direct
SEFE Marketing & Trading USA, Inc. ("SM&T USA")	8 The Green Ste A, Dover, Kent County, State of Delaware, 19901 USA	USA	Energy trading	100%	100%	Direct
SEFE Marketing & Trading Singapore Pte. Limited ("SM&TS")	10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315	Singapore	Energy trading	100%	100%	Direct
SEFE Marketing & Trading India Pte. Ltd.	10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315	Singapore	Dormant	100%	100%	Indirect
SEFE M&T Mexico S. de R. L. de C.V. ("SM&T Mexico")	Bosque de Ciruelos 180 PP 101, Bosques de las Lomas, Del. Miguel Hidalgo, Distrito Federal, 11700, Mexico	Mexico	Energy trading	100%	100%	Indirect
SEFE Marketing & Trading Switzerland AG ("SM&T CH")	Poststrasse 2 Zug, 6300, Switzerland	Switzerland	Energy trading	100%	100%	Direct

Dividend income of £174.5m was received by the Company from its subsidiaries in 2025 (2024: £nil).

There were no movements in the investments in subsidiaries during the year:

	COMPANY	
	2025 £'000s	2024 £'000s
Investments in subsidiaries	7,957	7,957

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 10. Inventories

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Gas in storage	<b>371,962</b>	621,435	<b>371,962</b>	621,435
Emissions, green energy and other compliance certificates	<b>128,354</b>	250,349	<b>109,802</b>	238,441
LNG inventories	<b>20,686</b>	29,678	–	–
LNG in tank	<b>23,157</b>	27,412	<b>23,157</b>	27,412
Metal inventories	<b>163,049</b>	–	<b>163,049</b>	–
Other inventories	<b>4,935</b>	8,229	–	–
	<b>712,143</b>	937,103	<b>667,970</b>	887,288

£5,267.3m of Group inventory was recognised as an expense in the year (2024: £3,835.4m). £340.4m of Company inventory was recognised as an expense in the year (2024: £130.0m).

KfW has a charge over certain gas in storage which is used as security to support the SEFE Group's loan facility from KfW. At year end, this gas in store had a value of £365.4m (2024: £614.0m).

## 11. Leases

The Group leases various offices, vessels, office equipment and vehicles for fixed periods up to 10 years. The vessels are used for transporting LNG in the Group's Global LNG and Shipping business.

Disclosure of the carrying value, additions and depreciation of right-of-use assets can be found in note 8, Right-of-use assets.

The Group also acts as an intermediate lessor by subleasing vessels and office space to both related and unrelated counterparties. The Company subleases office space to unrelated counterparties.

### a) Amounts recognised in the Statement of comprehensive income

The Statement of comprehensive income includes the following amounts relating to leases:

	Note	GROUP		COMPANY	
		2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Depreciation of right-of-use assets, included within Administrative expenses	8	<b>101,033</b>	95,384	<b>4,955</b>	3,704
Lease interest expense, included within interest expense		<b>8,204</b>	9,940	<b>1,530</b>	214
Expense relating to short-term leases, included within Cost of sales		<b>5,627</b>	653	–	–
Income relating to short-term leases for right-of-use assets, included within cost of sales		<b>6,116</b>	11,122	<b>15</b>	–
Finance income on the net investment in leases		<b>145</b>	31	<b>145</b>	31

### b) Extension and termination options

Some of the Group's office and shipping leases contain extension or termination options, allowing these leases to be extended or curtailed by between 1-5 years. These options provide flexibility for the Group to respond to the dynamic and constantly evolving nature of the commodity marketplace by managing its assets and infrastructure. The Group takes the view that there is no reasonable certainty that the Group will exercise such options unless there are existing approved business plans to do so at the reporting date.

Some of the Group's shipping leases also contain options giving flexibility around redelivery dates at the end of the lease term, typically up to 30 days extensions. These provisions allow the Group to avoid penalties for late delivery where vessels are delayed due to poor weather, congestion at ports, or other operational difficulties. While these options are often exercised to some degree, they are not sufficiently material to warrant inclusion in the calculation of lease liabilities.

The majority of extension and termination options held can be exercised only at the Group's discretion.

As of 31 December 2025, potential future cash flows of £388.1m (undiscounted) (2024: £384.6m (undiscounted)) have not been included in the lease liability, because it is not reasonably certain that the leases will be extended or not terminated.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 11. Leases continued

### c) Committed leases not yet commenced

The Group has committed to vessel lease arrangements expected to commence from 2026. The undiscounted total future payments (relating to the initial lease term and extended lease option) under such contracts is £327.0m (2024: £nil).

### d) Lease liabilities

The maturities of the undiscounted lease liabilities under IFRS 16 are as follows:

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Not later than one year	77,849	112,878	6,936	4,254
Later than one year and not later than five years	110,166	186,191	27,770	29,558
Later than five years	4,269	8,056	–	4,525
	192,284	307,125	34,706	38,337

Total cash outflow for leases during the year for the Group was £106.6m (2024: £115.4m) and for the Company £4.6m (2024: £6.7m).

### e) Intermediate lessor

In managing the Group's right-of-use assets, the Group and the Company may sublease certain assets to external or related counterparties, with the purpose of maximising the economic value accruing to the Group from utilising the assets.

#### Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangements in which it subleases office spaces and vessels to third parties in return for monthly lease payments. Where the sublease periods do not represent the major part of the remaining lease terms of the head leases, these are classified as operating leases.

Income from subleasing these assets recognised during the financial year 2025 was £6.1m (2024: £11.1m) for the Group.

Undiscounted lease payments from operating leases to be received on an annual basis are shown below:

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Operating leases</b>				
Within 1 year	2,634	229	–	–
<b>Total undiscounted lease payments</b>	<b>2,634</b>	<b>229</b>	<b>–</b>	<b>–</b>

#### Subleases – classified as finance leases

The Group subleases certain property leases which are classified as finance leases because these subleases comprised the majority of the remaining term of the related head leases. The corresponding right-of-use assets were derecognised and a net investment in the sublease is recognised under Lease receivables.

Finance income related to net investments in subleases during the financial year was £0.2m (2024: £nil) for the Group and Company.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 11. Leases continued

### e) Intermediate lessor continued

The following table shows a maturity analysis of the undiscounted lease payments to be received on property subleases:

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Within 1 year	929	2,414	929	2,414
Between 1 and 2 years	1,014	–	1,014	–
Between 2 and 3 years	1,014	–	1,014	–
Between 3 and 4 years	1,014	–	1,014	–
Between 4 and 5 years	319	–	319	–
<b>Total: undiscounted lease payments</b>	<b>4,290</b>	<b>2,414</b>	<b>4,290</b>	<b>2,414</b>
Less: unearned future finance income	(397)	(63)	(397)	(63)
Less: Loss allowance for leases	–	(60)	–	(60)
<b>Net investment in finance lease</b>	<b>3,893</b>	<b>2,291</b>	<b>3,893</b>	<b>2,291</b>
Current	776	2,291	776	2,291
Non-current	3,117	–	3,117	–
<b>Total</b>	<b>3,893</b>	<b>2,291</b>	<b>3,893</b>	<b>2,291</b>

### f) Net investment in leases as an intermediate lessor

Changes in the carrying amount of the net investment in leases are shown below:

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Opening net investment in leases	2,291	1,640	2,291	1,640
Recognition of new finance leases during the year	3,809	1,686	3,809	1,686
Remeasurement of existing finance leases	(185)	150	(185)	150
Lease payments received	(2,175)	(1,200)	(2,175)	(1,200)
Finance income earned in the year	145	31	145	31
Translation differences	8	(16)	8	(16)
<b>Closing net investment in leases</b>	<b>3,893</b>	<b>2,291</b>	<b>3,893</b>	<b>2,291</b>

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 12. Net debt reconciliation

The table below sets out an analysis of the movement in net debt during the year. Changes in liabilities arising from financing activities, which comprise Loans, overdraft and cash pool payables and Finance lease liabilities, are included in this disclosure:

GROUP	Cash at bank and in hand £'000s	Cash pool receivables from related parties £'000s	Loans, overdraft and cash pool payables with related parties £'000s	Finance lease liabilities £'000s	Total £'000s
Net debt as at 1 January 2025	49,792	587,890	(818,547)	(288,959)	<b>(469,824)</b>
Acquisitions and remeasurement of leases	–	–	–	(8,541)	<b>(8,541)</b>
Cash flow	7,839	(587,890)	(754,879)	98,360	<b>(1,236,570)</b>
Currency translation and other non-cash movements	695	–	4,306	16,865	<b>21,866</b>
<b>Net debt as at 31 December 2025</b>	<b>58,326</b>	<b>–</b>	<b>(1,569,120)</b>	<b>(182,275)</b>	<b>(1,693,069)</b>

GROUP	Cash at bank and in hand £'000s	Cash pool receivables from related parties £'000s	Loans, overdraft and cash pool payables with related parties £'000s	Finance lease liabilities £'000s	Total £'000s
Net debt as at 1 January 2024	111,742	490,541	(1,661,918)	(320,948)	<b>(1,380,583)</b>
Acquisitions and remeasurement of leases	–	–	–	(68,630)	<b>(68,630)</b>
Cash flow	(61,259)	97,348	839,841	105,423	<b>981,353</b>
Currency translation and other non-cash movements	(691)	1	3,530	(4,804)	<b>(1,964)</b>
<b>Net debt as at 31 December 2024</b>	<b>49,792</b>	<b>587,890</b>	<b>(818,547)</b>	<b>(288,959)</b>	<b>(469,824)</b>

COMPANY	Cash at bank and in hand £'000s	Cash pool receivables from related parties £'000s	Loans, overdraft and cash pool payables with related parties £'000s	Finance lease liabilities £'000s	Total £'000s
Net debt as at 1 January 2025	895	645,109	(1,599,483)	(33,187)	<b>(986,666)</b>
Acquisitions and remeasurement of leases	–	–	–	(930)	<b>(930)</b>
Cash flow	2,053	(379,054)	(527,394)	3,077	<b>(901,318)</b>
Currency translation and other non-cash movements	167	–	4,167	–	<b>4,334</b>
<b>Net debt as at 31 December 2025</b>	<b>3,115</b>	<b>266,055</b>	<b>(2,122,710)</b>	<b>(31,040)</b>	<b>(1,884,580)</b>

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 12. Net debt reconciliation continued

	Cash at bank and in hand £'000s	Cash pool receivables from related parties £'000s	Loans, overdraft and cash pool payables with related parties £'000s	Finance lease liabilities £'000s	Total £'000s
<b>COMPANY</b>					
Net debt as at 1 January 2024	23,989	1,036,378	(1,844,220)	(9,451)	<b>(793,304)</b>
Acquisitions and remeasurement of leases	–	–	–	(30,253)	<b>(30,253)</b>
Cash flow	(22,706)	(391,270)	242,993	6,517	<b>(164,466)</b>
Currency translation and other non-cash movements	(388)	1	1,744	–	<b>1,357</b>
<b>Net debt as at 31 December 2024</b>	<b>895</b>	<b>645,109</b>	<b>(1,599,483)</b>	<b>(33,187)</b>	<b>(986,666)</b>

## 13. Financial assets and financial liabilities

This note provides information about the Group's financial instruments, including:

- > an overview of all the financial instruments held by the Group, including trading contracts to deliver non-financial items which are within the scope of IFRS 9; and
- > specific information about each type of financial instrument.

For information about determining the fair value of the instruments, including judgements and estimation uncertainty involved, refer to notes 15 and 16, financial and non-financial instruments within the scope of IFRS 9 and fair value measurement.

The Group and Company hold the following financial instruments:

		GROUP		COMPANY	
	Note	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Financial assets</b>					
Financial assets at amortised cost:					
Trade and other receivables	13a	<b>2,986,891</b>	3,058,192	<b>2,620,569</b>	3,217,567
Lease receivables	11	<b>3,893</b>	2,291	<b>3,893</b>	2,291
Cash pool receivables from related parties	13b	–	587,890	<b>266,055</b>	645,109
Cash at bank and in hand		<b>58,326</b>	49,792	<b>3,115</b>	895
Financial assets measured at fair value through profit or loss:					
Trading contracts	15	<b>2,423,063</b>	1,707,284	<b>2,935,699</b>	2,498,549
Fair value storage contracts	15	<b>27,330</b>	83,880	<b>27,330</b>	83,880
		<b>5,499,503</b>	5,489,329	<b>5,856,661</b>	6,448,291
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
Trade and other payables	13c	<b>1,884,315</b>	2,278,765	<b>1,433,075</b>	1,977,063
Lease liabilities	11	<b>182,275</b>	288,959	<b>31,040</b>	33,187
Loans, overdrafts and cash pool payables with related parties	13d	<b>1,569,120</b>	818,547	<b>2,122,710</b>	1,599,483
Financial liabilities measured at fair value through profit or loss:					
Trading contracts	15	<b>1,494,624</b>	2,030,833	<b>1,938,145</b>	2,520,573
Fair value storage contracts	15	–	12,440	–	12,440
		<b>5,130,334</b>	5,429,544	<b>5,524,970</b>	6,142,746

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 13. Financial assets and financial liabilities continued

For financial assets and financial liabilities measured at fair value through profit or loss, changes in fair value are immediately recognised in Net result from trading and hedging activities, except for effective amounts in hedging relationships. The Group's exposure to various risks associated with financial instruments, the maximum exposure to credit risk at the end of the reporting period, and the carrying amount of each class of financial assets is discussed in note 14.

### a) Trade and other receivables

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Due within one year</b>				
Amounts receivable from sale of commodities:	<b>2,686,952</b>	2,740,713	<b>2,422,690</b>	2,525,298
from third parties	<b>2,462,191</b>	2,587,351	<b>1,995,525</b>	2,152,378
from subsidiary companies	–	–	<b>202,404</b>	219,558
from affiliated companies	<b>224,761</b>	153,362	<b>224,761</b>	153,362
Contract assets	<b>232,641</b>	250,352	–	–
Prepayments	<b>57,552</b>	59,232	<b>30,801</b>	30,575
Other debtors	<b>9,746</b>	7,895	<b>167,078</b>	661,694
	<b>2,986,891</b>	3,058,192	<b>2,620,569</b>	3,217,567
<b>Relating to:</b>				
Financial assets	<b>2,696,698</b>	2,748,608	<b>2,589,768</b>	3,186,992
Non-financial assets	<b>290,193</b>	309,584	<b>30,801</b>	30,575
	<b>2,986,891</b>	3,058,192	<b>2,620,569</b>	3,217,567

Included within trade and other receivables are contract assets and prepayments, which are non-financial in nature. These items have been aggregated within trade and other receivables as they represent a material class of similar items.

The Group holds these financial assets with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest rate method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 14.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The estimated fair value of all classes of receivables is materially the same as their carrying amounts.

During 2025, KfW released the charge over certain trade receivables which were used as security to support the SEFE Group's loan facility from KfW. At year end, these receivables had a carrying amount of £nil (2024: £1,759.2m).

Long-term other assets for both the Company and the Group primarily relate to payments made in relation to revenue and cost of sales contract acquisitions.

### b) Cash pool receivables from related parties

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Cash pool receivable from SEFE	–	587,890	–	587,890
Cash pool receivables from subsidiary companies	–	–	<b>266,055</b>	57,219
<b>Total cash pool receivables from related parties</b>	–	587,890	<b>266,055</b>	645,109

The estimated fair value of all classes of cash pool receivables from related parties is materially the same as their carrying amounts. The maximum exposure to credit risk at the reporting date is the fair value of cash pool receivables mentioned above.

Interest income in the year relates to cash pool interest, interest on cash deposits and interest received on lease receivables, for Company this also includes interest income from loans to its subsidiaries.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 13. Financial assets and financial liabilities continued

### c) Trade and other payables

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Due within one year</b>				
Amounts owed for purchase of commodities:	<b>1,597,144</b>	1,977,344	<b>1,277,016</b>	1,812,433
to third parties	<b>1,501,418</b>	1,882,749	<b>920,819</b>	1,055,815
to subsidiary companies	–	–	<b>287,897</b>	662,039
to affiliated companies	<b>95,726</b>	94,595	<b>68,300</b>	94,579
Contract liabilities	<b>11,216</b>	12,032	–	–
Accruals	<b>105,589</b>	133,540	<b>77,015</b>	102,805
Deferred income	<b>28,421</b>	2,659	<b>26,267</b>	2,659
Other payables	<b>141,945</b>	153,190	<b>51,645</b>	57,689
	<b>1,884,315</b>	2,278,765	<b>1,431,943</b>	1,975,586
<b>Due after one year</b>				
Other long-term payables	–	–	<b>1,132</b>	1,477
<b>Relating to:</b>				
Financial liabilities	<b>1,844,678</b>	2,264,074	<b>1,406,808</b>	1,974,404
Non-financial liabilities	<b>39,637</b>	14,691	<b>26,267</b>	2,659
	<b>1,884,315</b>	2,278,765	<b>1,433,075</b>	1,977,063

Included within trade and other payables are contract liabilities and deferred income, which are non-financial in nature. These items have been aggregated within trade and other payables as they represent a material class of similar items.

Included within the Company's trade and other payables to subsidiaries is an amount of £nil (2024: £406.6m) relating to obligations to repurchase sold commodities.

### d) Loans, overdrafts and cash pool payables with related parties

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Due within one year</b>				
Amounts owed:				
to SEFE	<b>1,569,120</b>	816,941	<b>1,569,120</b>	816,941
to subsidiary companies	–	–	<b>553,590</b>	684,453
to third parties	–	1,606	–	–
<b>Due after one year</b>				
Amounts owed:				
to subsidiary companies	–	–	–	98,089
	<b>1,569,120</b>	818,547	<b>2,122,710</b>	1,599,483

As at 31 December 2025, the Group had access to various uncommitted and committed rolling credit facilities. Details of the facilities of the Group are discussed in the Liquidity risk section of note 14.

Interest expense in the year relates to loan commitment fees, loan interest rate charges, cash pool interest and interest paid on lease payables. For the Company, this also includes interest expense from borrowings from its subsidiaries.

The estimated fair value of all classes of payables is the same as their carrying amounts.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies

The wider SEFE Group operates a uniform Enterprise Risk Management ("ERM") system to manage risks effectively and consistently across the Group. ERM is pivotal in realising organisational objectives and ensuring coherent and comprehensive oversight over financial and commercial operations. Additionally, it supports business decision-making by identifying optimal risk-return alternatives.

The ERM System is an integral component of SEFE Group's business processes and activities. The commercial and support units are responsible for risk management as risk owners. The centralised Risk Management department supports these units by providing advisory, independent control, reporting and oversight services.

The Group's Risk Management System is an integral component of the business processes and activities of the Group; it comprises the wider SEFE Group's risk management processes, together with the documented policies, procedures and specific methodologies for the identification, assessment and management of risk. Implementation and oversight of all elements of the Risk Management System, in addition to its responsibility for ensuring the Group meets its strategic, financial and operational objectives, is under the stewardship of the CEO of SEFE Group, who is also a Director of the Company.

The system is run on the principle of three lines of defence, with the risk owners (principally the Commercial Department) operating as the first-line of defence; the Risk Coordinators (the independent Group Risk Department) operating as the second-line of defence; and SEFE Group's internal audit function operating as the third-line of defence.

The Company's commercial department, as risk owners, are primarily responsible for managing the Group's risks. They are supported by the Group Risk Department that provides an advisory, control and oversight function, independent of the Commercial and other support functions. The CEO of SEFE Group is further supported in his risk management responsibilities by the SEFE Risk Committee ("RC"). The RC provides recommendations and advice to the CEO of SEFE Group on risk-related matters.

The Risk Management system defines enterprise risk management throughout the SEFE Group, setting out a unified framework of risk management throughout the SEFE group companies, including the Group. This policy is further supported by specific risk policies for credit, market and liquidity risk, as well as other risk management policies, frameworks and methodologies. The Company follows the SEFE risk policies and related documentation and as the main trading entity for the SEFE Group plays a key role in establishing the application of effective risk management throughout the SEFE Group.

### Capital management

The Group's objectives in managing its capital are to safeguard its ability to continue as a going concern and to generate long-term profitability. It achieves this through maintaining adequate cash reserves and loans from related parties. Share capital and reserves at 31 December 2025 were £1,619.6m (2024: £1,507.7m). The Group has £1,569.1m (2024: £816.9m) borrowings and cash pool payable with its intermediate parent company; SEFE. It should be noted that the Group also had £58.3m (2024: £49.8m) of cash at bank and in hand and £nil (2024: £587.9m) of cash pool receivable from its intermediate parent company at year end. The Group manages its liquidity to ensure that sufficient cash is available to meet all contractual commitments as they fall due and also to ensure that there is sufficient funding to withstand stressed market conditions or extreme or unplanned events. Liquidity is managed by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

### Market risk

Market risk is the risk of loss that results from changes in market factors (e.g. commodity prices, foreign currency exchange rates, interest rates, volumes, etc). The Group's exposure to market risk is variable and is dependent on current market conditions, expectations of future prices or volatility and the current composition of the Group's assets and liabilities.

The Group uses a Value-at-Risk ("VaR") measure to monitor and review its exposure to market risk. VaR is an estimate of the potential loss on a given position or portfolio over a specific holding period, based on normal market conditions and within a given statistical confidence interval. The Group uses a Monte Carlo simulation methodology for computing VaR, with a confidence interval of 97.5% and an assumed holding period of one day.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies continued

### Market risk continued

Executive management has approved VaR limits for all trading activities, regularly reviews the limits and monitors performance against these limits. It is recognised that VaR cannot be relied upon solely to predict the size of potential losses, and as such, additional market risk monitoring techniques are employed such as stress testing and sensitivity analysis.

Based upon VaR and taking into account approved limits and other risk management techniques, the Group's senior management will determine the need to adjust the Group's market risk profile. The 97.5% trading VaR during the year was:

	2025		2024	
	Average £'000s	Year end £'000s	Average £'000s	Year end £'000s
<b>Group</b>				
Trading VaR	<b>6,181</b>	<b>7,058</b>	6,903	2,742

These VaR values are within the limits set by the Company's Directors in coordination with the SEFE Group's Risk Management department and within defined limits.

### I. Commodity price risk

The Group's cash flows and profitability are sensitive to the underlying price of a number of commodities, including natural gas, electricity, LNG, carbon certificates and oil (and related price spreads). These prices are dependent on a number of factors, particularly global supply and demand. The Group's portfolio and trading business optimises the purchase contract portfolio by procuring gas, metal, LNG, carbon certificates and electricity at optimal cost and making use of volume and location flexibility in order to realise a margin. The Group is exposed to commodity price risk in the portfolio and trading business as the cost of procurement varies with wholesale commodity prices.

The Group is also exposed to volumetric risk in sales contracts agreed in the Retail business in the form of an uncertain consumption profile arising from a range of factors, including weather, and in the trading business where there is uncertain demand from counterparties when volumetric optionality exists within the contracts.

Forward contracts, swaps, options and futures are used to mitigate price risk specific to each commodity. These contracts are carried at fair value with changes in fair value recorded in the Statement of comprehensive income unless they are designated as hedging instruments in an effective hedge relationship. Retail energy supply contracts and physical LNG contracts are not accounted for under the scope of IFRS 9 and are treated as executory contracts, and so are not within the scope of IFRS 7: Financial Instruments – Disclosure. The carrying value of commodity contracts at 31 December 2025 is disclosed in note 15.

### II. Foreign currency risk

The Group is exposed to currency risk on foreign currency denominated forecast transactions, firm commitments, monetary assets and liabilities (transactional exposure) and on its net investments in foreign operations (translational exposure). The majority of the Group's trading is denominated in Sterling, Euros and US Dollars. When currency exposure arises as a result of purchase and sale commitments, the Group seeks to use forward foreign exchange transactions to manage the exposure.

#### a) Transactional currency risk

The Group is exposed to transactional currency risk on transactions denominated in currencies other than the underlying functional currency of the transacting entity. The Group's primary functional currencies are Sterling in SM&T and SEFE Energy Limited, Euro in SEFE Energy SAS and US Dollars in SEFE LNG Limited, SM&T USA, SM&TS, SM&T Mexico and SM&T CH. Transactional risk is the risk that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Transactional exposure primarily arises from two sources: firstly, from the operating activities of SM&T where a proportion of transactions are denominated in Euros and US Dollars; secondly from the operating activities of SEFE LNG Limited and SM&TS, where a proportion of transactions are denominated in Euros and Sterling.

Material transactional exposures are managed using derivative contracts to fix the functional currency value of non-functional currency cash flows. Currency risk is monitored and managed as part of the Group's VaR analysis.

A formal policy is in place for the management of non-trading related transactional foreign currency risks such as inter-company loans and non-functional currency overheads.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies continued

### Market risk continued

#### II. Foreign currency risk continued

##### b) Translational currency risk

The Group has foreign currency exposure arising from its foreign operations. The Group does not have a formal hedging policy to protect the Sterling asset value of its net investments in foreign operations; however, budgeted exchange rates are set and Group performance against budgeted exchange rates is monitored by management. The budgeted exposures are assessed against the costs to hedge and management decides whether any action is required. The table below details the Group's foreign currency exposure, by currency, and calculates the impact on total comprehensive income of a reasonably possible parallel shift of the foreign currency against Sterling.

	2025 SENSITIVITY ANALYSIS			2024 SENSITIVITY ANALYSIS		
	Net assets £'000s	Percentage change applied	(Decrease)/ increase in total comprehensive income £'000s	Net assets £'000s	Percentage change applied	Decrease in total comprehensive income £'000s
Euro	(10,821)	5.00%	(541)	(1,700)	5.00%	(85)
US Dollar	566,612	5.00%	28,331	(130,957)	5.00%	(6,548)
	555,791		27,790	(132,657)		(6,633)

5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of a reasonably possible change in foreign exchange rates.

#### III. Interest rate risk

The Group is not exposed to interest rate fair value risk to the extent that borrowings are executed at floating rates. Cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group has £1,569.1m (2024: £816.9m) borrowings and cash pool payable with its intermediate parent company, £nil (2024: £587.9m) cash pool receivable from its intermediate parent company, and financial assets measured at fair value of £512.5m (2024: £nil) that give rise to floating interest rate exposures. The application of a parallel shift in the interest rate curve of 50 basis points on balances extant at year-end would result in a change in expense of £5.3m per annum as at 31 December 2025 (2024: £0.9m per annum).

The Company has £2,122.7m (2024: £1,599.5m) borrowings and cash pool payable with related parties, £266.1m (2024: £645.1m) cash pool receivables from related parties, and financial assets measured at fair value of £512.5m (2024: £nil) that give rise to floating interest rate exposures. The application of a parallel shift in the interest rate curve of 50 basis points on balances extant at year-end would result in a change in expense of £6.7m per annum as at 31 December 2025 (2024: £4.8m per annum).

### Credit risk

#### Credit risk management practices

The Group's exposure to credit risk takes the form of any potential loss associated with a counterparty's failure to meet their payment or performance obligations. These risks may arise in all forms of commercial agreements which include those relating to amounts owed for physical product sales, the use of derivative instruments and the investment of surplus cash balances.

Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits. Counterparty credit limits are approved by the Company's Management Council and by certain individuals to whom authority has been delegated. All counterparties are assigned a grading based on external ratings where available and an internal assessment methodology in other cases, with this used to set the maximum exposure that would be accepted against any particular counterparty.

The internal assessment methodology is reviewed by the RC. The credit exposure to each counterparty is then monitored on a daily basis to ensure those limits are not exceeded.

The majority of significant exposures arising through trading activities are with investment grade counterparties. The Group incorporates counterparty credit risk in determining the fair value of financial instruments. The impact of the Group's own credit risk has been reflected in the fair value of derivative financial instruments.

The Group trades under credit enhancement agreements which include payment netting (to reduce settlement exposure in the normal course of business) and close-out netting (to reduce pre-settlement credit exposure by netting offsetting payments to and from the defaulting party in insolvency situations), material adverse change and default provisions. The Group obtains credit support such as letters of credit, bank guarantees and parent company guarantees against exposures where appropriate.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies continued

### Credit risk continued

#### Credit risk management practices continued

The Group's credit position is impacted by cash pledged or received under margin and collateral agreements. The terms and conditions of these agreements depend upon the counterparty and the specific details of the transaction. In the Group, credit risk is managed by determining and monitoring a customer's creditworthiness and financial strength before commencing trading, with regular reviews thereafter. Creditworthiness is ascertained by reviewing an appropriate mix of internal and external information to determine limits, contract types and payment mechanisms required to reduce credit risk to an acceptable level.

The Group defines default as having occurred where receivables are more than 90 days past due, or 6 months past due in the case of the Retail business, or where irrecoverability is certain.

The Group's maximum exposure to credit risk on financial assets held at fair value through profit or loss is £2,450.4m (2024: £1,791.2m) and on financial assets held at amortised cost is £2,758.9m (2024: £3,388.6m). The Group also actively manages its portfolio to avoid concentrations of credit.

The Company's maximum exposure to credit risk on financial assets held at fair value through profit or loss is £2,963.0m (2024: £2,582.4m) and on financial assets held at amortised cost is £2,862.8m (2024: £3,835.3m), of which £615.2m (2024: £923.1m) related to transactions within the Group.

For financial assets and financial guarantee contracts subject to the impairment requirements of IFRS 9, the exposure to credit risk of the Group as at 31 December 2025 is disclosed in the expected credit loss section below, based on the carrying amounts of the financial assets the Group believes are subject to credit risk.

### Expected credit losses

The Group has the following types of financial assets which are not measured at fair value through the Statement of comprehensive income and which are subject to the expected credit loss ("ECL") model:

- > Trade and other receivables, including contract assets
- > Lease receivables
- > Cash at bank and in hand
- > Cash pool receivables from related parties
- > Financial guarantee contracts

For trade and other receivables, including contract assets, the Group applies the simplified approach to measure a loss allowance using the lifetime expected credit loss model.

For lease receivables, cash and cash equivalents, cash pool receivables from related parties and financial guarantee contracts, the Group measures the loss allowance at the 12-month expected credit loss amount unless there has been a significant increase in credit risk since initial recognition, as determined by the Company's credit risk management department.

Receivables from counterparties with investment-grade ratings (BBB- or better) are considered to have low credit risk and so it is assumed that the credit risk for such assets has not increased significantly since initial recognition. Where there has been a significant increase in credit risk since initial recognition, the lifetime expected loss model is applied.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies continued

### Expected credit losses continued

#### ECL methodology

For trade receivables in the Retail business, for which the counterparties tend to be of lower credit quality, where the balance is considered to be at an increased risk of default, specific loss allowance provisions are applied using assumptions based on past history, existing market conditions and forward-looking estimates.

For all other balances, the loss allowance is based on the counterparty's probability of default ("PD"), multiplied by the loss given default rate ("LGD"), multiplied by the credit exposure.

The approach uses both historical and forward-looking data such as credit ratings, audited Annual Financial Statements, credit default swaps pricing and industry and company-specific analysis of the counterparty's future prospects.

#### Exposure to credit risk

In order to assess the Group's exposure to credit risk, the gross carrying amount of financial instruments subject to the ECL model, or for financial guarantee contracts, their gross notional amount, are grouped by credit risk ratings in the table below.

The available credit ratings range from AAA (highest credit quality) to D (lowest credit quality), with the latter representing exposure to counterparties already in default. Where the Group is unable to obtain a credit rating for a counterparty at the reporting date, the exposure is included in the Unrated category. Expected credit losses for these entities are calculated in line with C-rated counterparties.

Contract assets represent receivables for gas and power supplied to the customer portfolio of the Retail business which has not yet been allocated to specific customer accounts or invoiced. Expected credit losses for these balances are calculated using the weighted average credit rating of the Retail portfolio.

It should be noted that collateral is held against some of the lower rated counterparties in the portfolio (refer to the 'Collateral and other credit enhancements' section below).

GROUP	CREDIT RATING					
	AAA to BBB- £'000s	BB+ to B- £'000s	CCC+ to C £'000s	D £'000s	Unrated £'000s	Contract asset £'000s
<b>31 December 2025</b>						
<b>Lifetime ECL</b>						
Gross carrying amount – trade and other receivables	<b>2,221,876</b>	<b>383,683</b>	<b>96,618</b>	<b>6,422</b>	<b>32,847</b>	<b>233,744</b>
<b>12-month ECL</b>						
Gross carrying amount – cash and cash equivalents	<b>58,326</b>	–	–	–	–	–
Gross carrying amount – lease receivables	<b>3,893</b>	–	–	–	–	–

COMPANY	CREDIT RATING					
	AAA to BBB- £'000s	BB+ to B- £'000s	CCC+ to C £'000s	D £'000s	Unrated £'000s	Contract asset £'000s
<b>31 December 2025</b>						
<b>Lifetime ECL</b>						
Gross carrying amount – trade and other receivables	<b>1,989,598</b>	<b>554,933</b>	<b>38,513</b>	<b>3,244</b>	–	–
<b>12-month ECL</b>						
Gross carrying amount – cash and cash equivalents	<b>3,115</b>	–	–	–	–	–
Gross carrying amount – cash pool receivables from related parties	–	<b>266,225</b>	–	–	–	–
Gross carrying amount – lease receivables	<b>3,893</b>	–	–	–	–	–
Exposure to credit risk – financial guarantee contracts	–	<b>56,009</b>	–	–	–	–

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies continued

### Expected credit losses continued

GROUP	CREDIT RATING					Contract asset £'000s
	AAA to BBB- £'000s	BB+ to B- £'000s	CCC+ to C £'000s	D £'000s	Unrated £'000s	
31 December 2024						
<b>Lifetime ECL</b>						
Gross carrying amount – trade and other receivables	2,395,649	301,328	72,256	8,616	20,377	251,516
<b>12-month ECL</b>						
Gross carrying amount – cash and cash equivalents	49,842	–	–	–	–	–
Gross carrying amount – cash pool receivables from related parties	588,200	–	–	–	–	–
Gross carrying amount – lease receivables	2,094	–	257	–	–	–

### CREDIT RATING

COMPANY	AAA to BBB- £'000s	BB+ to B- £'000s	CCC+ to C £'000s	D £'000s	Unrated £'000s	Contract asset £'000s
31 December 2024						
<b>Lifetime ECL</b>						
Gross carrying amount – trade and other receivables	2,078,320	1,060,442	47,707	1,937	–	–
<b>12-month ECL</b>						
Gross carrying amount – cash and cash equivalents	945	–	–	–	–	–
Gross carrying amount – cash pool receivables from related parties	588,200	57,249	–	–	–	–
Gross carrying amount – lease receivables	2,094	–	257	–	–	–
Exposure to credit risk – financial guarantee contracts	–	75,357	–	–	–	–

### Collateral and other credit enhancements

The Group receives cash collateral from certain counterparties as a method of mitigating credit risk on trade receivables. Where the carrying value of the trade receivables is supported by cash collateral, no expected credit loss has been recognised on these amounts. The carrying value of trade receivables where no expected credit loss has been recognised amounts to £26.8m (2024: £53.8m).

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies continued

### Expected credit losses continued

#### Write-off policy

The Group's write-off policy on trade receivables in the Retail business requires derecognition of amounts where irrecoverability is certain on amounts greater than six months overdue. Examples where irrecoverability is certain may include:

- > The counterparty is in insolvency or bankruptcy proceedings, or undergoing financial reorganisation;
- > The debt is overdue and it is considered uneconomical to pursue; or
- > The debt has been passed to collection agencies and is more than one year overdue.

For all other balances, due to the higher credit quality of the counterparties involved, and the low rate of expected credit loss, the write-off policy only requires derecognition of amounts on an individual basis where it has been assessed that irrecoverability is certain.

#### Amounts recognised in profit or loss

During the year, the following losses/(gains) were recognised in the Statement of comprehensive income in relation to impairment on financial and contract assets.

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
Receivables written off	15,627	16,360	858	69
Movement in loss allowance for trade and other receivables	(7,166)	(5,627)	(90)	2,410
Movement in loss allowance for lease receivables	(60)	(150)	(60)	(150)
Movement in loss allowance for cash and cash equivalents	(320)	–	(50)	–
Movement in loss allowance for cash pool receivables from related parties	(310)	40	(166)	(329)
Movement in loss allowance for financial guarantee contracts	–	–	(60)	70
<b>Net impairment loss on financial and contract assets</b>	<b>7,771</b>	<b>10,623</b>	<b>432</b>	<b>2,070</b>

### Liquidity risk

Liquidity risk represents the risk that the Group is unable to satisfy the financial obligations that arise during the course of business due to insufficient funding lines or available cash reserves.

Liquidity risk is monitored on a daily basis with cash flow forecasts amended as appropriate and adjustments made to the funding plan or business plan if required. Working capital requirements are actively managed to ensure the Group's financing facilities are sufficient even in stress case scenarios.

The Group protects itself against this risk by ensuring that it either has sufficient available cash reserves to hand or access to committed financing that will enable it to meet all anticipated needs as well as to cover stressed market conditions or extreme or unplanned events.

The Group's funding, available from SEFE, totals €3.7bn (2024: €4.8bn) and is comprised of a €2.6bn (2024: €3.7bn) committed funding line and a €1.1bn (2024: €1.1bn) cash pooling limit with SEFE. The Group has £1,569.1m (2024: £816.9m) borrowings and cash pool payable to its intermediate parent company at year end.

Cash balances are managed centrally by the SEFE Group's Treasury function. Interest is received based on market interest rates.

The following tables detail the Group's liquidity analysis for its financial and certain non-financial instruments. The tables have been drawn up based on the undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected settlement amounts based on commodity price curves and other relevant market data at the reporting date.

The undiscounted gross cash inflows to be received on an annual basis related to lease receivables have been separately disclosed in note 11.

The table below presents contractual undiscounted cash flows within relevant maturity groupings based on the contractual tenor remaining at the date of the Statement of financial position.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies continued

### Liquidity risk continued

GROUP	Within 1 month £'000s	Within 2-12 months £'000s	1-2 years £'000s	2-5 years £'000s	Over 5 years £'000s	Total £'000s
<b>31 December 2025</b>						
<b>Due for receipt</b>						
Commodity trading contracts	4,735,971	23,440,457	8,944,587	3,698,193	570,856	41,390,064
Derivative instruments	22,500	227,040	91,885	79,300	–	420,725
Fair value storage contracts	27,330	–	–	–	–	27,330
Cash and cash equivalents	58,326	–	–	–	–	58,326
Trade and other receivables	2,601,609	385,282	–	–	–	2,986,891
<b>Total</b>	<b>7,445,736</b>	<b>24,052,779</b>	<b>9,036,472</b>	<b>3,777,493</b>	<b>570,856</b>	<b>44,883,336</b>
<b>Due for payment</b>						
Commodity trading contracts	4,517,389	23,783,351	8,321,091	3,322,960	567,467	40,512,258
Derivative instruments	30,199	380,523	113,058	95,549	–	619,329
Trade and other payables	1,791,824	92,491	–	–	–	1,884,315
Loans, overdrafts and cash pool payables	1,569,120	–	–	–	–	1,569,120
<b>Total</b>	<b>7,908,532</b>	<b>24,256,365</b>	<b>8,434,149</b>	<b>3,418,509</b>	<b>567,467</b>	<b>44,585,022</b>

GROUP	Within 1 month £'000s	Within 2-12 months £'000s	1-2 years £'000s	2-5 years £'000s	Over 5 years £'000s	Total £'000s
<b>31 December 2024</b>						
<b>Due for receipt</b>						
Commodity trading contracts	4,766,071	20,992,850	7,864,880	2,681,645	806,142	37,111,588
Derivative instruments	25,337	331,835	113,113	35,213	–	505,498
Fair value storage contracts	83,880	–	–	–	–	83,880
Cash and cash equivalents	49,792	–	–	–	–	49,792
Cash pool receivables from related parties	587,890	–	–	–	–	587,890
Trade and other receivables	2,199,466	858,726	–	–	–	3,058,192
<b>Total</b>	<b>7,712,436</b>	<b>22,183,411</b>	<b>7,977,993</b>	<b>2,716,858</b>	<b>806,142</b>	<b>41,396,840</b>
<b>Due for payment</b>						
Commodity trading contracts	4,791,490	22,766,320	7,887,126	2,469,559	806,470	38,720,965
Derivative instruments	18,107	350,095	116,377	13,553	–	498,132
Fair value storage contracts	12,440	–	–	–	–	12,440
Trade and other payables	2,194,261	84,504	–	–	–	2,278,765
Loans, overdrafts and cash pool payables	818,547	–	–	–	–	818,547
<b>Total</b>	<b>7,834,845</b>	<b>23,200,919</b>	<b>8,003,503</b>	<b>2,483,112</b>	<b>806,470</b>	<b>42,328,849</b>

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 14. Financial risk management objectives and policies continued

### Liquidity risk continued

COMPANY	Within 1 month £'000s	Within 2-12 months £'000s	1-2 years £'000s	2-5 years £'000s	Over 5 years £'000s	Total £'000s
31 December 2025						
<b>Due for receipt</b>						
Commodity trading contracts	4,907,757	24,408,416	9,397,095	3,959,579	574,795	43,247,642
Derivative instruments	25,623	399,324	124,435	126,073	–	675,455
Fair value storage contracts	27,330	–	–	–	–	27,330
Cash and cash equivalents	3,115	–	–	–	–	3,115
Cash pool receivables from related parties	266,055	–	–	–	–	266,055
Trade and other receivables	2,299,596	320,973	–	–	–	2,620,569
<b>Total</b>	<b>7,529,476</b>	<b>25,128,713</b>	<b>9,521,530</b>	<b>4,085,652</b>	<b>574,795</b>	<b>46,840,166</b>
<b>Due for payment</b>						
Commodity trading contracts	4,671,981	25,126,949	8,372,020	3,351,343	567,467	42,089,760
Derivative instruments	42,892	683,751	192,497	141,196	–	1,060,336
Trade and other payables	1,383,033	48,910	1,132	–	–	1,433,075
Loans, overdrafts and cash pool payables	2,111,562	11,148	–	–	–	2,122,710
<b>Total</b>	<b>8,209,468</b>	<b>25,870,758</b>	<b>8,565,649</b>	<b>3,492,539</b>	<b>567,467</b>	<b>46,705,881</b>

COMPANY	Within 1 month £'000s	Within 2-12 months £'000s	1-2 years £'000s	2-5 years £'000s	Over 5 years £'000s	Total £'000s
31 December 2024						
<b>Due for receipt</b>						
Commodity trading contracts	4,944,690	21,967,910	8,357,312	2,875,044	808,816	38,953,772
Derivative instruments	70,887	903,327	267,715	35,270	–	1,277,199
Fair value storage contracts	83,880	–	–	–	–	83,880
Cash and cash equivalents	895	–	–	–	–	895
Cash pool receivables from related parties	645,109	–	–	–	–	645,109
Trade and other receivables	1,897,898	1,319,669	–	–	–	3,217,567
<b>Total</b>	<b>7,643,359</b>	<b>24,190,906</b>	<b>8,625,027</b>	<b>2,910,314</b>	<b>808,816</b>	<b>44,178,422</b>
<b>Due for payment</b>						
Commodity trading contracts	5,001,196	24,864,848	7,978,850	2,498,818	806,470	41,150,182
Derivative instruments	38,560	569,672	166,001	13,554	–	787,787
Fair value storage contracts	12,440	–	–	–	–	12,440
Trade and other payables	1,511,546	464,040	–	1,477	–	1,977,063
Loans, overdrafts and cash pool payables	1,286,394	215,000	98,089	–	–	1,599,483
<b>Total</b>	<b>7,850,136</b>	<b>26,113,560</b>	<b>8,242,940</b>	<b>2,513,849</b>	<b>806,470</b>	<b>45,526,955</b>

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 15. Financial and non-financial instruments within the scope of IFRS 9

As part of its business operations, the Group uses derivatives to manage its exposure to fluctuations in commodity prices and foreign exchange rates. Sometimes, a range of contract types is used in combination to create incremental gains by arbitraging prices between markets, locations and time periods.

The Group enters into currency derivatives to hedge certain foreign currency cash flows and to adjust the currency composition of its assets and liabilities. The Group's policy is to predominantly enter into currency derivatives where these are matched by an underlying asset, liability or forecast transaction.

The Group also uses various commodity-based derivative instruments to manage some of the risks arising from its normal operating activities that give rise to commodity price exposures. Such instruments include financial or net-settled forwards, futures, swaps and options.

For the Group and the Company, all derivatives not subject to hedge accounting are classified at fair value through profit or loss and no financial instruments have been designated at fair value through profit or loss in accordance with the fair value option available within IFRS 9 (2024: £nil).

The following tables show further information on the fair value of held-for-trading assets and liabilities:

	GROUP		COMPANY	
	2025 £'000s	2024 £'000s	2025 £'000s	2024 £'000s
<b>Non-current assets</b>				
Commodity trading contracts	973,399	328,959	1,113,398	491,848
Foreign exchange contracts	3,114	37,941	14,980	40,234
	<b>976,513</b>	366,900	<b>1,128,378</b>	532,082
<b>Current assets</b>				
Commodity trading contracts	1,432,887	1,225,602	1,725,929	1,848,479
Foreign exchange contracts	13,663	114,782	81,392	117,988
Fair value storage contracts	27,330	83,880	27,330	83,880
	<b>1,473,880</b>	1,424,264	<b>1,834,651</b>	2,050,347
<b>Current liabilities</b>				
Commodity trading contracts	974,695	1,593,192	1,287,866	1,891,369
Foreign exchange contracts	72,422	9,994	76,857	124,700
Fair value storage contracts	–	12,440	–	12,440
	<b>1,047,117</b>	1,615,626	<b>1,364,723</b>	2,028,509
<b>Non-current liabilities</b>				
Commodity trading contracts	433,679	424,659	559,352	465,861
Foreign exchange contracts	13,828	2,988	14,070	38,643
	<b>447,507</b>	427,647	<b>573,422</b>	504,504

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 16. Fair value measurement

In determining the fair value of assets and liabilities, the Group utilises market data or assumptions that market participants would use in setting a price for the asset or liability. Where quoted market prices are not available, the Group uses valuation techniques to determine the fair values of these instruments. Inputs to the valuation technique can be observable and readily obtainable, market corroborated or generally unobservable. The Group endeavours to maximise the use of observable inputs and minimise the use of unobservable inputs.

### Fair value hierarchy

Based on the observability of inputs to the valuation techniques employed, the Group classifies all assets and liabilities carried at fair value within the fair value hierarchy. The determination of the classification gives the highest standing to unadjusted quoted prices in active exchange markets for identical assets or liabilities (Level 1 measurement) and the lowest standing to those fair values determined with reference to significant unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are:

**Level 1** – Quoted prices are available in active markets for identical assets and liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 instruments are primarily exchange traded derivatives.

**Level 2** – Quoted prices are not available; however, pricing inputs are either directly or indirectly observable at the reporting date. Level 2 instruments include those valued using industry standard models and valuation techniques. These inputs include quoted forward prices for commodities, implied volatility factors, spot market prices, contractual prices and expected volumes of the underlying instruments. Substantially all of these inputs or assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable transaction prices executed in the marketplace. Level 2 instruments include non-exchange traded derivatives such as forward contracts, swaps and options, as well as inventories of physical gas and LNG in tanks.

**Level 3** – Valuation techniques or models include significant inputs that are generally less observable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that are structured or individually tailored. At each reporting date, the Group performs an analysis of all assets and liabilities at fair value and includes in Level 3 those whose fair value is derived using significant unobservable inputs.

The following tables show the Group's assets and liabilities that were accounted for at fair value at the reporting date according to their level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement as a whole. The Group's assessment of the significance of a particular input to the fair value measurement requires judgement, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy.

2025	GROUP			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
<b>Held for trading assets</b>				
Commodity trading contracts	281,454	1,519,998	604,834	2,406,286
Forward foreign exchange contracts	–	16,777	–	16,777
Fair value storage contracts	–	27,330	–	27,330
	281,454	1,564,105	604,834	2,450,393
<b>Inventories held at fair value</b>				
	39,569	558,168	–	597,737
<b>Held for trading liabilities</b>				
Commodity trading contracts	407,034	953,093	48,247	1,408,374
Forward foreign exchange contracts	–	86,250	–	86,250
	407,034	1,039,343	48,247	1,494,624

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 16. Fair value measurement continued

### Fair value hierarchy continued

2024	GROUP			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
<b>Held for trading assets</b>				
Commodity trading contracts	277,383	1,232,473	44,705	1,554,561
Forward foreign exchange contracts	–	152,723	–	152,723
Fair value storage contracts	–	83,880	–	83,880
	277,383	1,469,076	44,705	1,791,164
<b>Inventories held at fair value</b>	112,639	648,847	–	761,486
<b>Held for trading liabilities</b>				
Commodity trading contracts	435,576	1,567,905	14,370	2,017,851
Forward foreign exchange contracts	–	12,982	–	12,982
Fair value storage contracts	–	12,440	–	12,440
	435,576	1,593,327	14,370	2,043,273

2025	COMPANY			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
<b>Held for trading assets</b>				
Commodity trading contracts	281,454	1,953,039	604,834	2,839,327
Forward foreign exchange contracts	–	96,372	–	96,372
Fair value storage contracts	–	27,330	–	27,330
	281,454	2,076,741	604,834	2,963,029
<b>Inventories held at fair value</b>	38,818	558,168	–	596,986
<b>Held for trading liabilities</b>				
Commodity trading contracts	407,034	1,391,937	48,247	1,847,218
Forward foreign exchange contracts	–	90,927	–	90,927
	407,034	1,482,864	48,247	1,938,145

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 16. Fair value measurement continued

### Fair value hierarchy continued

2024	COMPANY			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
<b>Held for trading assets</b>				
Commodity trading contracts	277,383	2,018,239	44,705	2,340,327
Forward foreign exchange contracts	–	158,222	–	158,222
Fair value storage contracts	–	83,880	–	83,880
	277,383	2,260,341	44,705	2,582,429
<b>Inventories held at fair value</b>	112,639	648,847	–	761,486
<b>Held for trading liabilities</b>				
Commodity trading contracts	435,576	1,907,284	14,370	2,357,230
Forward foreign exchange contracts	–	163,343	–	163,343
Fair value storage contracts	–	12,440	–	12,440
	435,576	2,083,067	14,370	2,533,013

The following table shows a reconciliation of changes in the fair value of instruments classified as Level 3 in the fair value hierarchy:

	Group £'000s	Company £'000s
<b>Fair value at 1 January 2024</b>	<b>(61,996)</b>	<b>(61,996)</b>
Purchases	32,244	32,244
Settlements	60,087	60,087
<b>Fair value at 1 January 2025</b>	<b>30,335</b>	<b>30,335</b>
Purchases	551,388	551,388
Settlements	(25,136)	(25,136)
<b>Fair value at 31 December 2025</b>	<b>556,587</b>	<b>556,587</b>

Any reasonably possible change to one or more of the unobservable inputs within a valuation model is not expected to materially change the fair value of the instruments as reported.

The carrying amounts of financial assets and financial liabilities measured at amortised cost in the Financial Statements are approximately equal to their fair values.

### Significant transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy

There were no significant transfers between Level 1 and Level 2, nor Level 2 and Level 3 (2024: £nil).

It is the Group's policy to treat all transfers between levels of the fair value hierarchy as if they occurred at the start of the reporting period.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 16. Fair value measurement continued

### Fair value hierarchy continued

#### Sensitivity of fair values to changing significant assumptions to reasonably possible alternatives

All instruments are valued in accordance with the techniques outlined in the fair value hierarchy disclosure above. The majority of Level 3 assets and liabilities comprise commodity purchase contracts with extended delivery profiles and power interconnector contracts. The Group uses proprietary models with unobservable inputs, for which the valuation differs on day one to the transaction price. The model prices are then calibrated to ensure that they reflect the transaction prices. The impact of varying the unobservable parameters as at 31 December 2025 and at 31 December 2024 was immaterial.

### Day-one P&L

As set out in note 3 under financial and non-financial instruments within the scope of IFRS 9, where there is evidence that the fair value of an asset or liability at inception of a transaction is different to the transaction price, but that fair value is based on significant unobservable data, the difference ("day-one gain or loss") is deferred rather than recognised immediately.

The following table shows the changes in the day-one gains and losses deferred:

	GROUP	
	2025 £'000s	2024 £'000s
<b>Day-one gains and losses</b>		
Fair value of contracts not recognised through the Statement of comprehensive income at 1 January	(1,251)	(353)
Initial fair value of new contracts not recognised in the Statement of comprehensive income	21,043	3,441
Fair value recognised in the Statement of comprehensive income during the year	(12,071)	(4,339)
<b>Fair value of contracts not recognised through the Statement of comprehensive income at 31 December</b>	<b>7,721</b>	<b>(1,251)</b>
	COMPANY	
	2025 £'000s	2024 £'000s
<b>Day-one gains and losses</b>		
Fair value of contracts not recognised through the Statement of comprehensive income at 1 January	(1,251)	(353)
Initial fair value of new contracts not recognised in the Statement of comprehensive income	21,043	3,441
Fair value recognised in the Statement of comprehensive income during the year	(12,071)	(4,339)
<b>Fair value of contracts not recognised through the Statement of comprehensive income at 31 December</b>	<b>7,721</b>	<b>(1,251)</b>

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 17. Contingencies

As at 31 December 2025, the Group and Company are not aware of any circumstances that require the disclosure of a contingent liability (2024: no such disclosable items).

## 18. Related party transactions

### a) Transactions

During the year, the Group entered into various transactions with related parties as shown in the table below.

GROUP	Sales to related party £'000s	Purchases from related party £'000s	Amounts owed by related party £'000s	Amounts owed to related party £'000s
<b>Related party</b>				
Parent				
<b>2025</b>	<b>708</b>	<b>12,622</b>	<b>-</b>	<b>-</b>
2024	19,253	287,931	675,962	838,625
<b>Other related parties</b>				
<b>2025</b>	<b>20,362,638</b>	<b>19,325,422</b>	<b>786,235</b>	<b>1,690,514</b>
2024	19,779,348	19,962,862	232,439	824,455

COMPANY	Sales to related party £'000s	Purchases from related party £'000s	Amounts owed by related party £'000s	Amounts owed to related party £'000s
<b>Related party</b>				
Parent				
<b>2025</b>	<b>708</b>	<b>12,610</b>	<b>-</b>	<b>-</b>
2024	19,253	13,549	675,962	832,642
<b>Subsidiaries</b>				
<b>2025</b>	<b>2,819,341</b>	<b>3,315,534</b>	<b>1,135,317</b>	<b>1,514,216</b>
2024	3,283,513	3,083,695	1,724,425	2,169,032
<b>Other related parties</b>				
<b>2025</b>	<b>20,352,025</b>	<b>19,315,263</b>	<b>785,000</b>	<b>1,687,452</b>
2024	19,779,348	19,962,862	232,439	824,442

On 1 October 2025, SEFE Securing Energy for Europe GmbH ("SEFE", the "intermediate parent") transferred its holdings in the Company to SEFE Commercial GmbH ("SECO"), making SECO the Company's immediate parent company from that date. All parent transactions disclosed above were with SEFE.

# Notes to the supplementary financial information continued

YEAR ENDED 31 DECEMBER 2025

## 18. Related party transactions continued

### b) Commitments

The Group and Company have the following commitments with related parties:

	GROUP		COMPANY	
	2025 £m	2024 £m	2025 £m	2024 £m
Subsidiaries sales	–	–	18	155
Subsidiaries purchases	–	–	1,527	2,297

Sales and purchases with related parties are in the ordinary course of business and support for the arm's length nature of related party transactions is sought from comparable third-party transactions which are on substantially the same terms.

At 31 December 2025, the Company had provided parental guarantees of up to £358.0m on behalf of its subsidiaries (2024: £161.1m). As the Company charges an arm's length fee for these parental guarantees, the associated fair value is £nil.

## 19. Ultimate parent and controlling party

The ultimate parent and controlling party is SEEHG Securing Energy for Europe Holding GmbH, a company incorporated in Germany, which is the largest and smallest group which includes the Group and for which Consolidated Financial Statements are prepared. The ultimate parent company remains under the control of the German Federal Government.

Copies of the Consolidated Financial Statements of SEEHG Securing Energy for Europe Holding GmbH are available from SEEHG Securing Energy for Europe Holding Group GmbH, Markgrafstraße 23, D-10117 Berlin Germany.

## 20. Significant events after the balance sheet date

The conflict in the Middle East at the beginning of 2026 has significant effects on global energy prices and on energy transport through the region. The Group continuously monitors developments and analyses the potential impacts both on its own business activities and on key markets. The Group sources only a small portion of its LNG supplies from the region and its LNG portfolio is not materially impacted by the current restrictions. The Group is also monitoring the financial effects of rising prices. At present, no adverse effects on the Group's financial position are evident.

## Abbreviations

<b>bn</b>	Billion
<b>EBITDA</b>	Earnings before interest, tax, depreciation, and amortisation
<b>ECL</b>	Expected credit loss
<b>EUR</b>	Euro
<b>GBP</b>	British pound sterling
<b>GHG</b>	Greenhouse gases
<b>KfW</b>	Kreditanstalt für Wiederaufbau
<b>kWh</b>	Kilowatt hour
<b>LNG</b>	Liquefied natural gas
<b>m</b>	Million
<b>MVaR</b>	Market value at risk
<b>MWh</b>	Megawatt hour
<b>Net income</b>	Gross profit, plus or minus the net result from trading and hedging activities
<b>PPA</b>	Purchase Power Agreement
<b>RC</b>	Risk Committee
<b>SECO</b>	SEFE Commercial GmbH
<b>SEEHG</b>	SEEHG Securing Energy for Europe Holding GmbH, Berlin (Germany)
<b>SEFE</b>	SEFE Securing Energy for Europe GmbH, Berlin (Germany)
<b>SEFE Energy</b>	SEFE Energy Limited, London (United Kingdom) and SEFE Energy SAS (France)
<b>SEFE Energy GmbH</b>	SEFE Energy GmbH, Kassel (Germany)
<b>SEFE Group</b>	SEEHG Securing Energy for Europe Holding Group
<b>SM&amp;T</b>	SEFE Marketing & Trading Limited, London (United Kingdom)
<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures
<b>USD</b>	United States dollar
<b>VaR</b>	Value at risk

# Officers and **professional advisors**

# Officers and professional advisors

## Directors

E Laege  
F Barnaud

## Secretary

LDC Nominee Secretary Limited Solicitors

## Bankers

Citigroup Inc.  
Deutsche Bank  
UniCredit Bank GmbH

## Registered Office

20 Triton Street,  
London,  
United Kingdom,  
NW1 3BF

## Solicitors

Baker Botts LLP  
DLA Piper LLP  
Skadden, Arps, Slate, Meagher & Flom (UK) LLP

## Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London, United Kingdom  
WC2N 6RH

Registered in England No. 03768267

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SEFE Marketing  
& Trading Limited

20 Triton Street  
London, NW1 3BF  
United Kingdom

[sefe.eu](http://sefe.eu)