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The board of directors and the supervisory board of
VTTI B.V.
Attn. Mr. J.F. van Geloven
Fascinatio Boulevard 208
3065 WB ROTTERDAM

Rotterdam, 30 May 2023 REQ6766433/RvdP/cm

Dear Mr. Van Geloven,

Please find enclosed a copy of the annual report for the financial year ended 31 December 2022 of VTTI B.V. and our auditor's report thereon dated 30 May 2023.

We consent, under the conditions as set out in the enclosed information sheet Publication of auditor's report, to publish our auditor's report as enclosed, in the section Other information of the enclosed annual report, subject to adoption of the audited financial statements, without modification, by the general meeting. The annual report to be filed with the Trade Register of the Chamber of Commerce, including the audited financial statements should be preferably filed within one month of 30 May 2023 (and ultimately within two months of 30 May 2023). Publication of our auditor's report is only allowed together with the corresponding complete set of the annual report.

Our auditor's report states the name of our firm and the name of the responsible audit partner but without a handwritten signature. We kindly request you to include our auditor's report without handwritten signature in the version of the annual report that will be filed and published. We have enclosed two copies of our auditor's report including an original (digital) handwritten signature. This copy is meant for your own filing purposes.

The annual report to be filed with the Trade Register of the Chamber of Commerce needs to be filed no later than eight days after adoption of the financial statements by the general meeting and prior to 1 January 2024.

Please note that it is legally required to timely file the annual report including the audited financial statements with the Trade Register of the Chamber of Commerce and that non-compliance is an offence punishable by law. In certain situations not complying with the publication requirements could even lead to personal liability for the board of directors and for the supervisory board.

If prior to the general meeting circumstances arise that require a modification to the financial statements, please note that under Section 2:362 subsection 6 and Section 2:380a of the Dutch Civil Code such modifications should be made prior to the general meeting. In this situation, of course, we withdraw our consent granted above.

Ernst & Young Accountants LLP is a limited liability partnership incorporated under the laws of England and Wales and registered with Companies House under number OC335594. The term partner in relation to Ernst & Young Accountants LLP is used to refer to (the representative of) a member of Ernst & Young Accountants LLP. Ernst & Young Accountants LLP has its registered office at 6 More London Place, London, SE1 2DA, United Kingdom, its principal place of business at Boompjes 258, 3011 XZ Rotterdam, the Netherlands and is registered with the Chamber of Commerce Rotterdam number 24432944. Our services are subject to general terms and conditions, which contain a limitation of liability clause.

All members of the board of directors and the supervisory board sign a copy of the financial statements. If a signature is missing, the reason is included in the annual report to be filed. In order to prevent the abuse of signatures we discourage the filing of a signed copy of the annual report.
The annual report to be filed with the Trade Register of the Chamber of Commerce should include the general meeting's adoption date of the financial statements.

If you wish to publish the annual report including the audited financial statements on the internet, it is your responsibility to ensure proper separation of the annual report from other information on the website. For example, by presenting the annual report as a separate read-only file, or by issuing a warning if readers switch from the web page containing the annual report ("You are now leaving the secured page containing the annual report, including the audited financial statements").

Furthermore, please note that, as per the date on which the dividend is made payable, the board of directors is required to assess, with due observance of the information then available, whether the company will, following dividend payments, be able to continue to pay its exigible debts. Should dividends be paid rendering the company at a later stage, following and owing to the dividend payments, unable to continue to pay its exigible debts, the board of directors may be held jointly and severally liable for payment to the company of the deficit created by the dividend payments if they knew or should have foreseen at the time when the dividend was made payable that such situation would arise owing to the dividend payments.

Section 393(4) of Book 2 of the Dutch Civil Code requires the auditor, as part of the audit of a company's financial statements, to report its findings concerning the continuity and reliability of the electronic data processing systems. Our audit was not primarily directed at forming an opinion on the continuity or reliability of any part of the electronic data processing systems, nor did we receive such instructions from the company's management. The audit of the financial statements did not reveal further shortcomings in the continuity and reliability of the electronic data processing.

Yours sincerely,
Ernst & Young Accountants LLP

O.A.M. Eberharter

Enclosures: Annual report, including our auditor's report without signature
Signed (digital) auditor's report for your files
Information sheet Publication of auditor's report

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Independent auditor's report

To: the shareholder and supervisory board of VTTI B.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2022 of VTTI B.V. based in Rotterdam. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of VTTI B.V. as at 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of VTTI B.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2022
- The following statements for 2022: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2022
- The company profit and loss account for 2022
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

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

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to section Risk Analysis of the directors' report for directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption , in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. Additionally, in order to respond to the identified risks of management override of controls, we specifically performed extensive substantive testing to verify that OpEx and CapEx are correctly classified in line with the applicable accounting standards.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk. These risks did however not require significant auditor's attention during our audit.

We considered available information and made enquiries of relevant executives, directors, legal, compliance, human resources and regional management and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Basis of preparation and consolidation in Note 2 of the consolidated financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on our procedures performed, we did not identify material uncertainties about going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Report on other information included in the annual report

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

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the

basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and Performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 30 May 2023

Ernst & Young Accountants LLP

O.A.M. Eberharter

Independent auditor's report

To: the shareholder and supervisory board of VTTI B.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2022 of VTTI B.V. based in Rotterdam. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of VTTI B.V. as at 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of VTTI B.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

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The company financial statements comprise:

- The company balance sheet as at 31 December 2022
- The company profit and loss account for 2022
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

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

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility
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Our audit response related to fraud risks
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We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption , in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.
Additionally, in order to respond to the identified risks of management override of controls, we specifically performed extensive substantive testing to verify that OpEx and CapEx are correctly classified in line with the applicable accounting standards.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk. These risks did however not require significant auditor's attention during our audit.

We considered available information and made enquiries of relevant executives, directors, legal, compliance, human resources and regional management and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

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We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

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We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on our procedures performed, we did not identify material uncertainties about going concern.
If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Report on other information included in the annual report

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

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Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

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basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 30 May 2023

Ernst & Young Accountants LLP

signed by O.A.M. Eberharter

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Publication of auditor's report

1 Conditions

Authorization to publish the auditor's report is granted subject to the following conditions:

- Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances become known which materially affect the view given by the financial statements.
- The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report". "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".

2.2 Annual General Meeting (AGM)

Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.
The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
   Or
b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.

Annual Report 2022

Annual Report 2022

VTTI B.V. (referred to as "VTTI" or the "Company") is pleased to present its Annual Report for the year 2022. The Annual Report contains reports from the Supervisory Board and the Board of Directors of VTTI. It also includes the Consolidated Financial Statements of VTTI and its subsidiaries (together referred to as the "Group" or "VTTI Group"), and the Company Financial Statements and the independent auditor's report thereto.

Disclaimer

This document contains statements of both a retrospective and forward-looking nature, and is prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

Although the management of VTTI has taken every care to give a true and fair presentation within the context of Dutch law and regulation relating to annual reports and IFRS, the reader accepts responsibility for any outcome that may result from acting on information contained in this report. The Company does not accept or assume responsibility or liability, and any such responsibility or liability is expressly disclaimed.

Statements in this document of a forward-looking nature are based on currently available plans and forecasts. Given the changing dynamics of the markets and environments in which VTTI operates, the Company cannot guarantee the accuracy and completeness of such forward-looking statements.

Unforeseen circumstances include, but are not limited to, changes in laws and regulations, technical and operational developments, unexpected economic, political, foreign exchange and interest rate developments, and possible changes to IFRS reporting rules.

Statements of a forward-looking nature issued by the Company must always be assessed in the context of events, risks and uncertainties of the markets and environments in which we operate. These factors could lead to actual results being materially different from those expressed or implied by these forward-looking statements.

The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report, and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

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VTTI - Full of Energy

Company profile

Founded in 2006, VTTI is one of the world's leading storage providers for energy and other essential products such as chemicals. Located at major shipping crossroads and supply gateways, VTTI provides approximately 10.2 million cubic meters of storage capacity across five continents, including joint ventures/associates and excluding assets under construction as of December 31, 2022. VTTI's interests include a broad based portfolio of 17 terminals. VTTI focuses on developing and implementing sustainable solutions, fueling the transition to the energy needs of tomorrow and building the emerging renewable value chain.

Strong foundations

VTTI is indirectly owned by Vitol Holding B.V. ("Vitol"), Vitol Investment Partnership II Ltd, an investment vehicle sponsored and managed by Vitol ("VIP"), IFM Global Infrastructure Fund ("IFM"), and Abu Dhabi National Oil Company ("ADNOC"). Our shareholders, being key industry players with deep experience in the energy industry who provide unique and valuable market insights into global industry dynamics, are one of our key differentiating factors and strengths.

The Vitol Group

Vitol is a leader in the energy sector with a presence across the spectrum; from oil through to power, renewables and carbon. Trading 7.4 million barrels of crude oil and products each day, Vitol charters circa 6,000 ship voyages each year. Operating from some 40 offices globally, Vitol delivers for the world’s critical and emerging energy needs. Its energy assets include 17 million cubic meters of storage, 500,000 barrels per day refining capacity across 6 refineries, 355 million tonnes crude oil and products traded each year and a growing portfolio of transitional and renewable energy assets and over $2+ billion committed specific sustainable business initiatives with 1.2 GW operational renewable generation capacity across 5 continents.

IFM Investors

IFM is a global institutional fund manager with A$211 billion under its management as of December 31, 2022. Established more than 20 years ago and having 640 institutional investors, IFM Investors’ interests are deeply aligned with those of its investors. Investment teams in Australia, Europe, North America and Asia manage institutional strategies across debt investments, infrastructure, listed equities and private equity.

ADNOC

Abu Dhabi National Oil Company (ADNOC) is one of the world’s leading energy producers and a primary catalyst for the UAE’s growth and diversification. With a production capacity of ~4.5 million barrels of oil per day and 11.5 billion cubic feet of natural gas per day, ADNOC operates across the entire hydrocarbon value chain, through a network of fully-integrated businesses, for exploration, production, storage, refining and trading, as well as the development of a wide-range of petrochemical products. ADNOC is committed to reduce the amount of CO_2 produced by its operations by actively pursuing the development of decarbonization technologies, including carbon capture, utilization, and storage (CCUS), while investing in greater efficiencies and operational excellence.

Key figures

In USD thousands	Note	2022	2021
RESULTS			
Revenues		483,534	506,672
EBITDA	[1]	226,273	236,083
Underlying EBITDA	[2]	241,600	279,769
Group operating profit		79,203	81,129
Profit before taxation		28,899	29,534
Net result		22,520	10,963
FINANCIAL POSITION			
Total assets		2,933,718	2,954,890
Total net interest bearing debt	[3]	804,197	922,861
Equity attributable to shareholders		1,022,229	987,791
As stated			
RATIOS			
Group operating profit margin	[4]	16.4 %	16.0 %
Underlying EBITDA margin	[5]	50.0 %	55.2 %
Net debt coverage	[6]	3.3	3.3
COMPANY DATA			
Number of employees	[7]	1,009	971
Total injury rate	[8]	1.9	2.7
Lost time injury rate	[9]	1.0	1.8
Storage capacity including joint ventures and associates	[10]	10.2	10.2

[1] EBITDA is comprised of operating result plus depreciation and amortization

[2] Underlying EBITDA comprises of EBITDA plus impairments, restructuring charges and other items which are considered to be of a non-recurring nature to the underlying business

[3] Total interest bearing debt less cash and cash equivalents (Note: Interest bearing debt as defined under the Company's debt agreements will differ)

[4] Group operating result / Revenues

[5] Underlying EBITDA / Revenues

[6] Net debt / Underlying EBITDA (Note: Net debt to EBITDA ratio as defined under the Company's debt arrangements will differ)

[7] Average number of full time equivalents excluding joint ventures and associates

[8] Total number of injuries per million working-hours

[9] Lost time injuries per million working-hours

[10] Storage capacity is in millions, measured in cubic meters and excluding assets under construction

Supervisory Board report

The VTTI Supervisory Board is pleased to present the VTTI Annual Report 2022.

2022 saw a change in VTTI's leadership. In July, founding CEO Rob Nijst announced that he would leave the company in September 2022 to pursue other opportunities.

Since VTTI's creation in 2006, Rob has overseen the growth and expansion of the company from four terminals to seventeen, with over 10 million cubic meters of storage capacity located across five continents. Managed by competent teams and with a mix of ultra-modern greenfield terminals and upgraded facilities, VTTI's terminals are among the most advanced in the world and able to meet the demands of a constantly evolving market.

On 15 September 2022, Guy Moeyens was officially appointed as VTTI CEO. Together with the experienced VTTI team, his ambition is to lead VTTI into the next phase of its growth story, working in close cooperation with its shareholders and executing an ambitious growth and diversification strategy that includes capitalising on opportunities arising from the energy transition and making VTTI sustainable for the future.

After initiating a refresh of VTTI's strategy in September 2022, a solid growth and diversification ambition was presented to the Supervisory Board on 15 December 2022, which received full support of the shareholders.

Key parts of that growth and diversification agenda is progressing the construction of VTTI's first bio-energy facility in Tilburg, The Netherlands, which is expected to be operational by the end of 2023, and, among others, entering in an agreement (letter of intent) with Essent and E.ON to develop a world-scale ammonia cracker in Rotterdam to support the European hydrogen economy.

In 2022, VTTI also expanded its storage capacity by adding six new tanks suitable for blending bio components, creating 96,000 cbm of additional capacity at ETT, our state-of-the-art terminal located in the Port of Rotterdam. The new tanks suitable for blending bio components are ideally equipped to support low carbon energy solutions.

For more details on VTTI's growth projects, 2022 results and the outlook for 2023, please see the Directors' Report.

The Supervisory Board met for its quarterly meetings on March 17, June 16, September 15 and December 15 during the financial year 2022. All Supervisory Board members attended these quarterly meetings. Meetings in 2023 to date have been held on March 16, and May 30.

The financial statements have been prepared as follows:

- The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.
- The Company Financial Statements have been prepared in accordance with the Dutch Civil Code.
- The Consolidated and Company Financial Statements have been audited by the independent auditor, EY, and discussed with them on the basis of their Auditor's Report.

EY's independent auditor's opinion is included on page 14. The Supervisory Board has approved the Financial Statements as presented on May 30, 2023 and recommends the shareholders to adopt them at the Annual General Meeting of Shareholders.

The members of the Supervisory Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:210 (paragraph 2) of the Dutch Civil Code. This provision states that the members of the Supervisory Board should sign the financial statements.

Rotterdam, May 30, 2023

Mr. Christopher Paul Bake

Mr. Mark Kwok Fei Chung

Mr. Wei Sun Teh

Ms. Yihong Zhu

Mr. Ahmed Omar Abdulla Balfaqeeh

Supervisory Board Member Changes

On 30 June 2022 Mr Neil Doherty resigned from the Supervisory Board and was succeeded by Mr Wei Sun Teh. On 15 September 2022 Mr Roger Brown resigned from the Supervisory Board and was succeeded by Mr Ahmed Omar Abdulla Balfaqeeh. On 16 March 2023 Mr Javed Ahmed and Mr Jamie Cemm resigned from the Supervisory Board and were succeeded by Mr Mark Chung and Ms Yihong Zhu.

Audit Committee

Composition and meetings

The role of the Audit Committee is to provide the Supervisory Board with guidance, reports and recommendations on various financial matters. The Audit Committee is comprised of two members of the Supervisory Board, who represent VTTI's shareholders. Its meetings are normally attended by VTTI's CEO, CFO, other members of the Company's organization as necessary, representatives of internal audit, and representatives of the independent auditor.

On 30 June 2022 Mr Neil Doherty resigned from the Audit Committee and was succeeded by Mr Wei Sun Teh.On 16 March 2023 Mr Javed Ahmed resigned from the Audit Committee and was succeeded by Mr Mark Chung.

The Audit Committee met for its quarterly meetings on March 17, June 16, September 15, and December 15 during the financial year 2022. All Supervisory Board members attended these meetings. Meetings in 2023 to date have been held on March 16, and May 30.

Duties

The function of the Audit Committee is to review, appraise, report and make appropriate recommendations to the Supervisory Board on matters concerning:

- The year-end financial statements, prior to the approval by the Supervisory Board, with particular reference to:
  - changes in accounting policies;
  - review of accounting policies;
  - significant and unusual events and transactions; and
  - compliance with accounting standards and other legal requirements;
- The quality and effectiveness of the accounting and internal control system of the Company;
- The internal audit program and the results of the internal audits;
- The external audit scope, audit plan and its findings;
- The firm of independent auditor retained by the Company, fees payable, and recommendations to retain or replace them;
- The Committee may also be tasked with other duties as may be determined by the Supervisory Board from time to time;
- Review of related party transactions.

Summary of activities

A summary of the activities performed by the Audit Committee relating to the financial year is set out below:

- Reviewed the 2022 annual financial statements of the Company and recommended them to the Supervisory Board for approval;
- Reviewed and recommended the Supervisory Board Report included herein to the Supervisory Board for approval;
- Reviewed the results and findings arising from the audit of the 2022 financial year;
- Reviewed the risk management, compliance, and VTTI integrity helpline process of the Company and Group;
- Reviewed and recommended on cybersecurity risks;
- Reviewed the internal audit plan for the 2022 financial year;
- Reviewed results and recommendations from internal audit activities;
- Reviewed and approved the independent auditor's terms of engagement, audit plan, nature and scope for the 2022 financial year.

Remuneration Committee

Composition and meetings

The role of the Remuneration Committee is to provide the Supervisory Board with support over leadership executive remuneration matters. The Remuneration Committee comprises two members of the Supervisory Board, who represent VTTI's shareholders. The VTTI CEO and SVP People & Culture prepare, attend, and facilitate the meetings. The members of the Remuneration

Committee during the financial year 2022 were comprised of Mr. Christopher Paul Bake and Mr. James Cemm. On 16 March 2023 Mr James Cemm resigned from the Remuneration Committee and was succeeded by Mr Wei Sun Teh.

During the financial year 2022 the remuneration committee met on January 20 and December 15, the latter of which saw Mr. Wei-Sun Teh attending in lieu of Mr. James Cemm.

Duties

The duties of the Remuneration Committee include the following, as well as other duties as may be determined by the Supervisory Board from time to time:

a. Annual compensation review of the VTTI leadership team for the year under review and an assessment of remuneration
b. Ensuring that the remuneration framework (including annual and longer-term target setting) is aligned with the shareholder endorsed VTTI strategic objectives.
c. Ensuring that remuneration is commensurate with the responsibilities, challenges, and individual performance of VTTI's leadership team.

Summary of key activities

The Remuneration Committee discussed and agreed remuneration of the leadership team of VTTI for the year under review and assessed remuneration packages and framework for the coming year(s).

Directors' report

Growth and Diversification

In 2022 VTTI continued to invest and expand in renewable energy projects and increasing capacity at our existing terminal base by:

- Commencing construction of VTTI's first bio-energy facility, located in Tilburg, The Netherlands. The facility is expected to be operational by the end of 2023.
- Among others, entering into an agreement (letter of intent) with Essent and E.ON, to develop a world-scale ammonia cracker in Rotterdam to support the European hydrogen economy.
- Expanding its storage capacity by adding six new tanks suitable for blending bio components, creating 96,000 cbm of additional capacity at ETT, our state-of-the-art terminal located in the Port of Rotterdam. The new tanks suitable for blending bio component are ideally equipped to support low-carbon energy solutions.

In September 2022, we bid farewell to our former CEO Rob Nijst, after 16 years of building VTTI from foundation to the company it is today and welcomed our new CEO, Guy Moeyens. As part of Guy's ambition to lead VTTI into the next phase of its growth story, he initiated a refresh of VTTI's strategy. This resulted in an ambitious growth and diversification strategy that includes growing our existing terminal footprint, capitalising on opportunities arising from the energy transition and making VTTI sustainable for the future. Beyond optimizing our current assets and existing product portfolio, our participation strategy will focus on liquified natural gas regasification, creating New Energies infrastructure for hydrogen derivatives and carbon storage, as well as accelerating renewable natural gas and waste to fuels propositions. This strategy was discussed with our ultimate shareholders and received their full support.

We also continue to invest in our existing portfolio of terminals to ensure our assets and infrastructure are safe, reliable and meet regulatory standards, as well as selectively adding asset flexibility to suit our customers' changing needs and to reduce our impact on the environment.

Our People and Culture

Our growth and success are the result of people from 40 different nationalities and from five continents working together. We are an agile company with productive people who make a difference. We are collective leaders, delivering solutions and creative ideas. We call the DNA that binds us the VTTI Way. It is a culture that motivates and challenges skillful people.

In view of VTTI's strategic focus, performance enhancement of the current portfolio, growth and diversification, and the transition to New Energies in 2022 we:

- critically reviewed our existing governance structure, making fundamental adjustments to the organisation and clustering our current terminal portfolio around hubs and other locations.
- initiated a recalibration of the VTTI Way in order to ensure our culture is fit for future.
- continued to apply ROAD, our approach to performance enablement, which was launched in 2020. ROAD is about development, continuous dialogue and meeting mutual expectations. It helps people and teams to reach their ultimate potential by discussing and evaluating personal goals and performance as well as addressing the right actions for further individual development. Building on the ROAD roll-out, we are further digitalising our HR management processes.
- After strengthening our VTTI Leadership Development Programs, in 2022 the Emerging Leaders Program and Impactful Leaders Program took place. Our Leadership Development Programs are specifically designed to help identify and cultivate leadership, build high-performing teams and better position our organization for future success.

Diversity

At VTTI, we see the diversity of our team as a strength that needs to be reinforced in a structural way. Coming from a traditional industry background, we are gradually striving to improve the female representation in our organisation. Our leadership composition is the starting point. In 2022 we set targets for 2023 to improve the percentage of female members in our Supervisory Board, Board of Directors and Leadership team for the coming year. In the case of vacancies in the future, the applicable regulations will be taken into account where possible.

As of 31 December, 2022	% Female 2022	Target 2022	Target 2023
Supervisory Board	0	0	20 %
Board of Directors	25 %	25 %	25 %
Leadership team	25 %	25 %	30 %

The four members of the Board of Directors are also part of Group Leadership team, which consists of twelve senior leaders of the company.

Sustainability

With our focus on eco-efficiency, energy efficiency and emission reduction, VTTI is committed to working towards a sustainable future, for our company, for the communities we operate in and for other stakeholders. Our collective sense of responsibility for the environment is reflected in our continuous investment in our existing and new terminals in innovative, sustainable solutions to reduce their environmental and carbon footprint.

At many of our terminals, we have reduced our reliance on non-renewable energy by using and producing renewable energy to meet an increasing part of our energy needs. We have seen a significant reduction in our greenhouse gas emissions, investing in vapour recovery technology to minimise the impact of our loading operations, and building strippers to produce low sulphur naphtha and installing waste gas treatment to reduce emissions.

VTTI offers high-quality employment, safe working conditions and compensates its employees at fair market rates for the work they do. VTTI believes in equal opportunities for all, offering employment without regard to age, gender, ethnicity, orientation, religion, disability or any other discrimination.

We contribute to the local communities around our facilities, whether through donations, sponsorship or sharing of time and resources. Every year, our people participate in a range of community activities, from working with local schools and raising money for charity to sponsoring local projects and institutions.

We seek to minimise the impact our operations may have on local communities, be it through traffic, noise or emissions. We listen closely to our neighbors and local authorities and are actively engaged in ways to contribute to a sustainable environment.

In 2022, we took several major steps in the sustainability field:

- All terminals participated in VTTI's first sustainability materiality assessment. The results allowed us to prioritise key ESG topics for the company and its stakeholders. The next step is to publish our first ESG report to provide further transparency and insight into our sustainability drive across VTTI.
- We established VTTI's scope 1 and 2 carbon footprint. Working from a baseline year of 2019, we set a target for reduction of our GHG emissions by 45% by 2030, with an aim for net zero emissions by 2050 at the latest.
- We seek to deliver safe, clean, reliable and affordable energy across the globe. This goal requires transformation on our part as well as the energy market in general and we have already taken our first steps in this direction.

Health, safety and environment (HSE)

In 2022 we maintained a focus on continuing to improve our Health Safety and Environment (HSE) performance, in line with our commitment to conduct all our business activities responsibly; to ensure the health and safety of people, the protection of the environment, and the provision of quality services to our customers.

HSE improvement action plans were implemented at all VTTI terminals, with specific actions in 2022 focused on reducing the risk of injuries during installation and maintenance work, reducing the risk of spills during cargo handling, and improving the reliability and integrity of plant equipment.

After the disruption caused by the COVID pandemic in 2020 and 2021, the VTTI internal process safety audit program was restarted, and audits performed at 13 of the 16 operating terminals; providing valuable insights on the aspects of safety performance that required attention.

Through the VTTI safety ownership award program, 50 employees were recognised for demonstrating exceptional safety awareness and their individual contribution to safety in the workplace. The safety ownership award program, the annual VTTI HSE day in June 2022 and regular site safety meetings remained important means of engagement on safety with employees and contractors.

There were 20 spills in 2022, which was an 18 % increase from the 17 spills in on 2021 (17 spills). We recognize the need to urgently address the risk of spills, and have included specific actions in the 2023 terminals HSE plans to improve.

The Total Injury Rate (TIR) in 2022 was 1.9, which was a 30% improvement from on the TIR of 2.7 in 2021. While we recognise this improvement, we remain committed to reducing the injury rate even further.

Process safety risk was effectively managed, as reflected in the process safety score of 86% in 2022, which maintained the good performance from 2021 (87%) and 2020 (80%).

Financial updates

Revenues and other income

For the year ended December 31, 2022, VTTI's revenues decreased by $23.1 million to $483.5 million (2021: $506.7 million). This decrease was mainly due to an increase in tank rental revenues across various terminals in the Group offset by lower rechargeable costs. Revenues were also higher as a result of the strengthening of the Euro against the US Dollar.

For the year ended December 31, 2022, other income increased by $1.4 million to $3.5 million (2021: $2.2 million). The increase is mainly due to income recveived from insurances.

Personnel costs and employment

Total personnel expenses increased by $4.3 million to $104.3 million. Total personnel expenses per employee increased from $86 thousand to $88 thousand. In 2022, the average number of employees (excluding joint ventures and associates) increased by 3.9% from 971 in 2021 to 1,009 in 2022. A breakdown of employment by region is included in Note 7 of the consolidated financial statements.

Group operating result

VTTI Group operating result decreased in 2022 to $79.2 million (2021: $81.1 million) or by $1.9 million. The change in Group operating result is primarily due to a decrease in revenues as well as a net decrease in operating expenses.

Further discussion on impairment charges is included in Note 27 of the consolidated financial statements.

EBITDA decreased from $274.5 million to $226.9 million mainly explained by decreased revenues and increased general and administrative expenses.

Profit before taxation

Profit before taxation in 2022 decreased by $0.6 million from a profit before taxation of $29.5 million to a profit before taxation of $28.9 million. This was primarily due to the following: a decrease in Group operating result of $1.9 million as noted above; a decrease in results from associates and joint ventures of $2.2 million; a decrease in net interest expense of $2.5 million primarily due to higher interest income; a change from a loss to a gain in net foreign currency expenses of $5.7 million, which are primarily unrealized; and a change to a gain from change in fair values of financial instruments of $1.6 million.

Taxation

Corporate income tax expense decreased by $12.2 million from $18.6 million to $6.4 million. See Note 9 of the consolidated financial statements for further details on taxation.

Net result

Net result increased to $22.5 million from a net result of $11.0 million, an increase of $11.6 million due to the factors noted above.

Net debt

Net debt is calculated as long and short-term interest-bearing debt, less the current cash position. Net interest-bearing debt at December 31, 2022 was $804.2 million compared to $922.9 million at December 31, 2021.

See Note 14 and Note 26 of the consolidated financial statements for further details on interest-bearing debt and net debt.

Cash flows

The net cash provided by operating activities amounted to $206.6 million (2021: $220.0 million), a decrease of $13.3 million.

Net cash used in investing activities decreased to $129.6 million (2021: $229.5 million) mainly due to 2021 amounts spent on acquisitions compared to 2022 and lower capital expenditures and dividends received from joint ventures and associates.

Net cash used from financing activities amounted to $0.8 million in 2022 compared to net cash used from financing activities of $119.1 million in 2021. The net cash used in 2022 is mainly due to a net increase of the repayment of borrowings and proceeds from borrowings as well as capital contributions from the shareholder (VTTI Finance b.v.).

Risk Analysis

The Group continually monitors risks and opportunities through the multiple channels within the organisation, which includes an active Supervisory Board, Audit Committee, Remuneration Committee and Board of Directors, regular meetings between Leadership team members and operational management teams, structured and short reporting lines, standard financial and operations reporting, various internal control procedures and a structured process for reviewing investment opportunities. This process and interaction includes discussions on key risks and priorities, risk mitigation and opportunities for both financial and operational topics as well as analysis of these topics. Below is a summary of these risks.

Strategic risks

Our business and demand for our storage facilities and services can be impacted in a number of ways. For example, there has historically been a strong link between the development of the world economy and demand for energy, including oil, refined products and natural gas. Any sustained decrease in demand for, or production of, refined petroleum products and crude oil in the markets served by our terminals could result in a reduction in demand for storage usage in our terminals. VTTI is also subject to global risks such as geopolitical changes, regulatory developments, inflation, climate, the energy transition and cybersecurity risks.

VTTI does not own any of the crude oil, refined petroleum products or chemicals that it handles, and does not engage in the trading of refined petroleum products, crude oil, chemicals or gas and therefore we have minimal direct exposure to risks associated with fluctuating commodity prices. These risks can however indirectly influence VTTI's activities and results of operations over the long term. Petroleum product prices may be in contango (where future prices are higher than current prices), or in backwardation (where future prices are lower than current prices), depending on market expectations for future product supply and demand. For example, if the market was in a prolonged backwardation state; or, if there were changes in product specifications; or, if federal or state regulations were passed that discourage customers from storing those commodities, demand for terminaling services could decrease. In these scenarios, VTTI may be unable to renew contracts for storage services, or be forced to reduce the rates charged for them, with a resulting impact on our financial performance.

Our strategy to grow and diversify our portfolio is dependent on our ability to expand our existing assets base and to construct or acquire additional assets in the right markets and for the right products including petroleum based products as well as further expansion and diversification into the storage of natural gas, bio-fuels, chemicals, new energies and other complementary products. The construction or acquisition of a new terminal, or the expansion of an existing terminal, such as increasing storage capacity or otherwise, involves numerous regulatory, environmental, political and legal uncertainties, most of which are at least partly beyond our control.

VTTI manages strategic risks by ensuring we have a robust understanding of the market environment we operate in, our growth and business development resources are focused in the right areas and evaluating opportunities to diversify our portfolio whether it be the location of terminals, types of products stored, or a combination thereof.

Operational risks

VTTI is focused on carrying out its operations in a safe, compliant and reliable manner each and every day. We are exposed to a number of operational risks. These include, but are not limited to:

- risks related to local and regional regulatory and political change;
- risks related to health, safety and environment including climate change and global health pandemics;
- risks related to customer delivery and satisfaction;
- risks related to the physical terminal, jetty and pipeline operations and other assets from damage including weather related events;
- risks related to cybersecurity breaches;
- risks related to compliance that may endanger our licenses to operate; and
- risks related to maintenance and associated requirements and project execution.

VTTI reduces these risks by having policies and procedures in place along with continuous monitoring and sharing of best practices and benchmarking operational and safety performance. Each year VTTI seeks to maintain safe and reliable operations and builds on the experiences of the previous year.

International activities, transactions and acquisitions can include complex structures and relationships, such as working with local

representatives and/or working with local agents/ consultants. The company has compliance policies and procedures in place to minimize the risks relating to these activities and relationships. Although efforts are made to act in compliance with all relevant (local and international) legislation and regulations, a complete elimination of compliance risk cannot be fully guaranteed. Any violation of any relevant anti-bribery and corruption legislation could have an adverse effect on our operational performance, earnings, cash flows and financial condition.

Financial risks

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from the Group's receivables from customers, loan receivables with joint ventures and associates and derivative contract arrangements. See Note 26 to the consolidated financial statements for additional information on credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group funds its activities through cash generated from operations, external borrowings and shareholder contributions or shareholder loans. Liquidity risks for the Group and its subsidiaries are assessed on an ongoing basis by management to ensure sufficient liquidity is present and available as needed. See Note 26 to the consolidated financial statements for additional information on liquidity risk.

Interest rate risk

The Group has loans outstanding through its credit facilities and loan agreements on which variable rates of interest are payable based on benchmarks such as EURIBOR, LIBOR or other local country benchmarks plus a margin. Interest rate swaps have been purchased to manage a portion of these interest rate risks. See Note 26 to the consolidated financial statements for additional information on interest rate risk.

Foreign currency and exchange rate risk

The Group is exposed to foreign currency translation risk, mainly resulting from the conversion of the Group's results and balance sheet items from the respective functional currency of the VTTI entities into US Dollar (being the presentation currency). The primary exposure is from the Euro. Transactional risk from foreign currencies arises on sales, purchases, receivables, payables and borrowings that are denominated in currencies other than the respective functional currencies of the VTTI entities. See Note 26 to the consolidated financial statements for additional information on foreign currency risk.

Outlook

As we look forward to 2023, VTTI continues to focus on delivering sustainable, safe, compliant and reliable operations at our terminals, while we closely monitor market dynamics to assess opportunities and risks. We continue to progress our ambitious and updated strategy, with continuous business improvement plans for existing sites and a strengthened focus on transitional fuels and New Energies.
It is expected that the number of employees will be higher to reflect our growth ambitions. Furthermore to enable our growth ambition, we expect our capital expenditure to grow.

Board composition

The Board of Directors and Leadership Team shows a significant diversity including representation by gender and, with its members drawn from different nationalities, professions and backgrounds. VTTI will continue to seek the best candidates for future vacancies, whereby a balanced representation by gender will be taken into account.

Board of Directors

Rotterdam, May 30, 2023

Mr. G.J.J. Moeyens
Mr. J.F. van Geloven
Ms. W.J. Guépin
Mr. J.L. Garcia Galera

Independent auditor's report

To: the shareholders and supervisory board of VTTI B.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2022 of VTTI B.V. based in Rotterdam. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of VTTI B.V. as at 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of VTTI B.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2022
- The following statements for 2022: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2022
- The company profit and loss account for 2022
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

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

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management’s process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as

the outcomes. We refer to section Risk Analysis of the directors' report for directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration.
We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption , in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. Additionally, in order to respond to the identified risks of management override of controls, we specifically performed extensive substantive testing to verify that OpEx and CapEx are correctly classified in line with the applicable accounting standards.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk. These risks did however not require significant auditor's attention during our audit.

We considered available information and made enquiries of relevant executives, directors, legal, compliance, human resources and regional management and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.
Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Basis of preparation and consolidation in Note 2 of the consolidated financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on our procedures performed, we did not identify material uncertainties about going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Report on other information included in the annual report

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

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and Performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 30 May 2023

Ernst & Young Accountants LLP

signed by O.A.M. Eberharter

Annual Report 2022 VTTI B.V.

Consolidated financial statements

vtti

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Consolidated statement of income

For the year ended December 31, 2022

In USD thousands	Note	2022		2021	
Revenues	*6*	483,534		506,672	
Other operating income	*6*	3,513		2,159	
Total operating income			**487,047**		**508,831**
Operating expenses					
Personnel expenses	*7*	104,321		100,034	
Depreciation expenses	*11*	139,097		147,718	
Amortization expenses	*10*	7,973		7,236	
Other operating expenses	*7*	107,712		103,933	
Environmental provision	*21*	—		—	
Restructuring expenses	*20*	667		15,577	
Impairment	*10, 27*	—		22,872	
General and administrative expenses		48,074		30,332	
Total operating expenses			**407,844**		**427,702**
Operating result			**79,203**		**81,129**
Share of result from associates and joint ventures	*4*	4,235		6,480	
Other income	*3*	—		5,318	
Interest income	*8*	6,990		4,501	
Interest expense	*8*	(55,196)		(55,168)	
Finance fees and other financial expenses		(6,216)		(5,339)	
Foreign exchange gains / (losses)		1,902		(3,756)	
Changes in fair value of financial instruments	*14*	(2,019)		(3,631)	
Other income / (expense)			**(50,304)**		**(51,595)**
(Loss) / profit before taxation			**28,899**		**29,534**
Income tax expense	*9*	(6,379)		(18,571)	
Net result			**22,520**		**10,963**
Attributable to:					
Shareholders			17,668		6,053
Non-controlling interests			4,852		4,910
			22,520		**10,963**

Consolidated statement of comprehensive income

For the year ended December 31, 2022

In USD thousands	Note	2022		2021	
Net result			**22,520**		**10,963**
Items that will never be reclassified to statement of income:					
Remeasurement of defined benefit plans		—		110	
			—		**110**
Items that may be reclassified to statement of income:					
Exchange differences on translation of foreign operations		(34,948)		(38,106)	
			(34,948)		**(38,106)**
Other comprehensive (expense) / income, net after tax			**(34,948)**		**(37,996)**
Total comprehensive (loss) / income			**(12,428)**		**(27,033)**
Attributable to:					
Shareholders			(14,302)		(28,493)
Non-controlling interests			1,874		1,460
			(12,428)		**(27,033)**

Consolidated statement of financial position

As at December 31, 2022

In USD thousands	Note	December 31, 2022		December 31, 2021	
Non-current assets					
Intangible assets	*10*	181,764		188,023	
Property, plant and equipment	*11*	1,839,388		1,909,488	
Right of use assets	*12*	451,244		475,007	
Investments in associates and joint ventures	*4*	80,289		81,306	
Loans receivable	*14*	44,249		49,055	
Deferred tax assets	*13*	2,374		3,594	
Other non-current assets	*14*	1,570		1,777	
Total non-current assets			**2,600,878**		**2,708,250**
Current assets					
Trade and other receivables	*15*	45,141		49,098	
Other current assets		6,565		4,892	
Tax receivables	*24*	19,356		21,504	
Inventories	*16*	11,219		11,223	
Cash and cash equivalents	*17*	250,559		159,923	
Total current assets			**332,840**		**246,640**
Total assets			**2,933,718**		**2,954,890**
Equity					
Share capital	*19*	66		66	
Share premium	*19*	1,593,610		1,543,070	
Foreign currency translation reserve	*19*	(24,703)		9,409	
Other reserves	*19*	27,109		28,085	
Retained earnings	*19*	(573,853)		(593,371)	
Equity attributable to shareholders			**1,022,229**		**987,259**
Non-controlling interests		73,509		80,766	
Total equity			**1,095,738**		**1,068,025**
Non-current liabilities					
Deferred tax liabilities	*13*	114,769		119,075	
Provisions	*20*	102,357		115,133	
Derivative financial instruments	*14*	73		588	
Interest bearing debt	*14*	955,021		869,865	
Lease liabilities	*12*	437,748		447,335	
Other non-current liabilities	*22*	6,277		7,916	
Total non-current liabilities			**1,616,245**		**1,559,912**

Current liabilities					
Interest bearing debt	*14*	99,735		212,919	
Trade and other payables	*23*	26,409		24,954	
Tax payables	*24*	10,266		9,082	
Derivative financial instruments	*14*	131		724	
Other current liabilities	*23*	85,193		79,274	
Total current liabilities			**221,734**		**326,953**
Total equity and liabilities			**2,933,717**		**2,954,890**

Consolidated statement of changes in equity

For the year ended December 31, 2022

In USD thousands	Attributable to the owners of the parent						Non-controlling interests	Total equity
	Share Capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Shareholders' equity		
Balance January 1, 2022	**66**	**1,543,070**	**9,409**	**28,085**	**(592,839)**	**987,791**	**80,234**	**1,068,025**
Net result	—	—	—	—	17,668	**17,668**	4,852	**22,520**
Other comprehensive (loss) / income (1)	—	—	(34,112)	—	2,142	**(31,970)**	(2,978)	**(34,948)**
Total comprehensive income	**—**	**—**	**(34,112)**	**—**	**19,810**	**(14,302)**	**1,874**	**(12,428)**
Dividends paid in cash	—	(3,374)	—	—	(1,800)	**(5,174)**	(8,599)	**(13,773)**
Acquisition of subsidiaries	—	—	—	—	—	**—**	—	**—**
Capital contributions from shareholders	—	53,914	—	—	—	**53,914**	—	**53,914**
Other movements	—	—	—	(976)	976	**—**	—	**—**
Balance December 31, 2022	**66**	**1,593,610**	**(24,703)**	**27,109**	**(573,853)**	**1,022,229**	**73,509**	**1,095,738**

(1) Includes the effect of hyperinflationary adjustment recorded for the Argentinian operation, see Note 18. Hyperinflation

For the year ended December 31, 2021

	Attributable to the owners of the parent							
In USD thousands	Share Capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance January 1, 2021	**66**	**1,549,906**	**43,554**	**25,567**	**(595,973)**	**1,023,120**	**73,629**	**1,096,749**
Net result	—	—	—	—	6,053	**6,053**	4,910	**10,963**
Other comprehensive (loss) / income (1)	—	—	(34,145)	—	(401)	**(34,546)**	(3,450)	**(37,996)**
Total comprehensive income	**—**	**—**	**(34,145)**	**—**	**5,652**	**(28,493)**	**1,460**	**(27,033)**
Dividends paid in cash	—	(6,836)	—	—	—	**(6,836)**	(5,450)	**(12,286)**
Acquisition of subsidiaries	—	—	—	—	—	—	10,595	**10,595**
Capital contributions from shareholders	—	—	—	—	—	—	—	—
Other movements	—	—	—	2,518	(2,518)	—	—	—
Balance December 31, 2021	**66**	**1,543,070**	**9,409**	**28,085**	**(592,839)**	**987,791**	**80,234**	**1,068,025**

[(1)] *Includes the effect of hyperinflationary adjustment recorded for the Argentinian operation, see Note 18. Hyperinflation*

Consolidated statement of cash flows

For the year ended December 31, 2022

In USD thousands	Note	2022		2021	
Net result			**22,520**		**10,963**
Adjustments to reconcile net result to cash flows from operating activities:					
Depreciation expenses		139,097		147,718	
Amortization expenses		7,973		7,236	
Impairment		—		22,872	
Share of result from associates and joint ventures		(4,235)		(6,480)	
Deferred income tax expense / (income)		(2,249)		13,702	
Unrealized foreign exchange (gains) / losses		(2,455)		3,935	
Unrealized (gains)/losses on financial instruments		2,001		(736)	
Lease interest expense		17,053		16,309	
Restructuring expense		667		15,577	
Changes in operating assets and liabilities		26,256		(11,137)	
Cash flows from operating activities			**206,628**		**219,959**
Capital expenditures		(129,773)		(147,099)	
Acquisitions of subsidiaries (net of cash acquired)		—		(94,185)	
Acquisitions of joint ventures		—		—	
Costs directly related to acquisitions		—		—	
Dividends received from associates and joint ventures		—		11,792	
Cash flows from investing activities			**(129,622)**		**(229,492)**
Proceeds from borrowings		267,500		40,000	
Transaction fees related to the issuance of debt		—		—	
Repayment of borrowings		(286,343)		(125,544)	
Payment of lease installments		(22,072)		(21,304)	
Dividends paid to shareholders		(5,174)		(6,836)	
Dividends paid to non-controlling interests		(8,600)		(5,450)	
Capital contributions from shareholders		53,914		—	
Capital contributions from non-controlling interests		—		—	
Cash flows from financing activities			**(775)**		**(119,134)**
Net (decrease) / increase in cash and cash equivalents			**76,231**		**(128,667)**
Cash & cash equivalents at beginning of the year (including bank overdrafts)			**104,538**		**236,067**
Net increase / (decrease)			76,231		(128,667)
Effect of exchange rate changes on cash			(7,955)		(2,862)
Cash & cash equivalents at end of the year (including bank overdrafts)			**172,814**		**104,538**

Notes to the consolidated financial statements

1. Corporate information

The Company is a private limited liability company incorporated and domiciled in the Netherlands. The registered business office of the company is The Mark, Fascinatio Boulevard 208, 3065 WB, Rotterdam, The Nederlands.

The principal business activities of VTTI B.V. ("VTTI" or the "Company"), and its subsidiaries (together referred to as the "Group") are to own, operate, develop and acquire refined petroleum product, crude oil, gas, and chemical terminaling and related energy infrastructure assets on a global scale.

As of December 31, 2022, VTTI's direct shareholder is VTTI Finance B.V. The Group is indirectly owned by Vitol Holding B.V. ("Vitol"), Vitol Investment Partnership II Ltd, an investment vehicle sponsored and managed by Vitol ("VIP"), IFM Global Infrastructure Fund ("IFM"), and Abu Dhabi National Oil Company ("ADNOC").

2. Significant accounting policies

I. Basis of preparation and consolidation

The consolidated financial statements and the accompanying notes have been prepared in accordance with the International Financial Reporting Standards, issued by the International Accounting Standards Board ('IASB') and interpretations of the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the European Union ('IFRS') and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in US Dollars and all amounts are rounded to the nearest thousand except when otherwise indicated.

The consolidated financial statements are prepared on a going concern basis.

The consolidated financial statements comprise the financial statements of VTTI and its subsidiaries as at December 31, 2022. The financial statements of the subsidiaries are prepared for the same reporting year as that of the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policy that may exist. Compared to prior issued financial statements, adjustments have been made in the financial statements and notes to the financial statements to increase understandability for our stakeholders. Presentation adjustments have been made related to the prior period notes for comparison purposes.

The Company presents a condensed company statement of income, using the facility of Article 402 of Part 9, Book 2 of the Dutch Civil Code.

Subsidiaries are fully consolidated from the date of acquisition, being the date that VTTI obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved

when VTTI is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities over the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

VTTI re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group balances, transactions, income and expenses or profits and losses arising from intra-group transactions are eliminated upon consolidation.

A change of ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements of the Company for the year ended December 31, 2022 were approved for issue by the Board of Directors on May 30, 2023 and the Supervisory Board on May 30, 2023

II. Changes in accounting policies

Although several IFRS amendments apply for the first time in 2022, none of these materially impact The Group's financial statements and the accounting policies applied in the preparation of these financial statements are consistent with those of prior year. In addition, new standards and amendments issued but not yet effective will not have a material effect on the Group's financial statements upon adoption.

III. Summary of Significant Accounting Policies

A. Subsidiaries and business combinations

I - Subsidiaries

Subsidiaries are entities over which the Company has the ability to control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

II - Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured and subsequent settlement is accounted for within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts are reported for the items for which the accounting is incomplete. If, during the measurement period, new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the assets and liabilities recognized as of that date, the provisional amounts recognized will be adjusted retrospectively. The measurement period ends as soon as the information it was seeking about facts and circumstances that existed as of the acquisition date is received or the moment that more information is not obtainable. The measurement period does not exceed one year.

B. Associates and joint ventures

The Group's investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor separately tested for impairment.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over its subsidiaries.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not control, or have joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over its subsidiaries.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When needed, adjustments are made to bring the accounting policies in line with those of the Group.
The aggregate of the Group's share of profit or loss of an associate or joint venture is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or

joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

C. Foreign currency translation

I. Functional and presentation currency

The functional currency of the Company is the currency which best reflects the underlying transactions, events and conditions relevant to it. The Company is predominantly exposed to US Dollar transactions as a result of its holding and financing activities and therefore the functional currency of the Company is the US Dollar. Because the Group's customers are active in oil and refined product trading and the worldwide oil market is largely a US Dollar market, the Financial Statements are also presented in US Dollars. Each entity in the Group determines its own functional currency and items included in the financial information of each entity are measured using that functional currency.

II. Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss, with the exception of differences on foreign currency borrowings that are designated as part of the hedge of the Group's net investment of a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognized directly in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

III. Group companies

The assets and liabilities of foreign operations, including goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition, are translated from the functional currency into the US Dollar at exchange rates at the balance sheet date. The revenue and expenses of the foreign operations are translated from the functional currency into the US Dollar at exchange rates approximating the exchange rates ruling at the dates of transactions. The exchange differences arising on the translation of the foreign operations are taken directly to a separate component of equity, Foreign Currency Translation Reserve ("FCTR"). On disposal of a foreign operation, the deferred cumulative amount recognized in equity relating to that particular foreign operation is then recognized in the statement of income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The main exchange rates used in the financial information for the respective years are included in the table below.

IV. Classification of Argentina as a hyperinflationary economy

The Argentinian economy was designated as hyperinflationary from July 1, 2018. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has been applied by Vitco S.R.L., our terminal operations in Argentina whose functional currency is the Argentinian Peso. IAS 29 requires that adjustments are applicable from the start of the relevant entity's reporting period. For the Group this has been the case since January 1, 2018. The Group has used Argentinian CPI, which has shown a 51% increase during 2022, as a basis for the adjustments.

The application of IAS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;
- Monetary items are not restated as they are stated already at their current purchasing power at the date of the reporting;
- Deferred taxes are calculated in accordance to IAS 12 after the Group has restated all non-monetary balances;

- Adjustment of the income statement for inflation from the date the items of income and expense were originally recorded to the date of the reporting;
- The income statement is translated at the period end foreign exchange rate instead of an average rate;
- Adjustment of the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

Since the Group presents its financial statements in a stable currency, the comparative amounts are not adjusted for subsequent changes in price levels or exchange rates. However opening equity is affected by the cumulative effect of restating non-monetary items from the date they were first recognized and the effect of translating those balances to the closing rate. The Group has recognized this effect in other comprehensive income for the year as a translation adjustment.

USD	Profit and loss (average FX rate)	
	2022	2021
EUR	1.05388	1.18353

USD	Balance sheet (closing rate)	
	2022	2021
EUR	1.04998	1.13260

D. Revenue recognition

The Group recognizes revenue from contracts with customers in the statement of income when control of the goods or services is transferred to the customer, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The amounts of revenue recognized are net of discounts, amounts collected on behalf of third parties and value added taxes. Storage fees including minimum guaranteed throughputs are recognized on a straight-line basis over the contractual period. Revenues from excess throughputs and other services are recognized when these services are rendered. Compensation payments from customers for modifications of property, plant and equipment are initially deferred and recognized in the statement of income over the contractual period on a straight-line basis. The Group does not make any significant judgments regarding revenue to be recognized, mainly as a result of the nature of the business.

E. Operating expenses

Other operating expenses

Other operating expenses are those expenses that have a direct relationship with operating the terminal and revenues, whereas general and administrative expenses have a more indirect relationship with revenue. General and administrative expenses include, for instance, travel expenses, representation costs, consultancy fees and business development fees.

F. Borrowing costs

Borrowing costs, directly attributable to the acquisition or construction of an asset that necessarily takes a substantial construction period, are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

G. Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it

is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

H. Intangible assets

Goodwill

Goodwill is initially measured at cost; being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the statement of income as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets

Intangible assets comprise land lease rights, or jetty lease rights acquired separately, customer related intangibles such as customer contracts and relationships, and are measured based on initial recognition at fair value or cost depending on the method of acquisition.

The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization of intangible assets is recognized in the statement of income under operating expenses. The amortization period and the amortization method are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as changes in accounting estimates.

Gains or losses arising from derecognizing an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income at the moment that the asset is derecognized.

Software

Software is carried at historical cost and amortized on a straight line basis over its expected useful life. The expected useful life of software is 3 to 7 years. Software under development is carried at costs incurred up to the end of the reporting period.

I. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and

the carrying amount of the asset), is included in the statement of income when the asset is derecognized.

Property, plant and equipment under construction are stated at the costs incurred up to the end of the reporting period. Such costs include materials and direct labor that can be allocated for construction, the cost of replacing part of the plant and equipment, and borrowing costs for long-term construction projects, if the recognition criteria are met.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized and recognized in the carrying amount of the asset as a replacement, if the recognition criteria are satisfied (when increasing the future economic benefit of the related asset). All other expenditure is recognized in the statement of income as an expense as incurred.

When an item of property, plant and equipment comprises major components having different useful economic lives, they are accounted for as separate items of property, plant and equipment. Depreciation is computed from the date that the asset is available for use and is charged to the statement of income on a straight-line basis over the estimated useful economic life and taking into account the estimated residual value.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted when necessary. To the extent that decommissioning liabilities exist at the end of the useful lives that materially differ from the residual scrap value, these and any amendments thereto are included in the cost of assets.

J. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Property, plant & equipment and intangible assets, once classified as held for sale, are not depreciated nor amortized.

In the consolidated statement of income of the reporting period, and the comparable period of the previous year, income and expenses from discontinued operations are reported separately from the income and expenses from continuing operations, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after tax) is also reported separately in the statement of income.

K. Impairment of non-financial assets

Impairment of goodwill 2022

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. In assessing whether goodwill has been impaired, the carrying amount of the cash-generating unit (including goodwill) is compared with the recoverable amount of the cash-generating unit. The recoverable amount is the higher of fair value less costs of disposal and value-in-use. In the absence of any information about the fair value less costs of disposal of a cash-generating unit, the recoverable amount is deemed to be the value-in-use.

The Group performs its annual impairment test of goodwill as at December 31. An impairment loss in respect of goodwill, if any, is not reversed.

Impairment of assets 2022

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the statement of income as a component within operating income.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use. This amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing its value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used. These calculations are corroborated by discounted cash flows, valuation multiples or other available fair value indicators.

Trigger for impairment testing 2022

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

Testing for impairments 2022

The Group generally estimates value-in-use using a discounted cash flow model. The future cash flows are adjusted for risks specific to the asset and discounted using an appropriate discount rate. The discount rate is calculated following the Capital Asset Pricing Model (CAPM).

The key assumptions for the discount rate include the selection of the listed companies in the same industry which is used to calculate some of the CAPM variables including but not limited to the unlevered asset Beta and capital structure. It is noted that the number of listed terminal companies is minimal, hence other listed infrastructure companies within the same industry are included in the equation. Other relevant CAPM variables to which the discount is sensitive include the proxy for the risk-free rate, which is in general based on long-term treasury bond rates, debt spread and equity market risk premium. Cash flows are adjusted for the risks specific to the assets, and therefore these risks are not included in the determination of the discount rate applied.

The impairment analysis is based on business plans, which are approved by management annually. These business plans cover a five years planning period. The business plans form the main source of information for the determination of the various values in use. Note that the realisation of these business plans is an input to the various incentive schemes the company operates.

For storage terminal assets, the expected future cash flows are estimated based on the Group's plans to continue to operate the facilities similar to current assets within the Group. Cash flows include estimated growth rates for revenues, expenses and sustaining capital expenditures. The applied growth rates are consistent with the forecasts and expectations for the industry and markets and do not exceed the long-term average growth rate of the market in which the cash-generating unit operates.

L. Financial assets

The Group's financial assets include cash, trade and other current receivables (including positions due from related parties), and loans and other non-current receivables. Financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Loans receivable

The classification and measurement basis of loans receivable is determined based on two criteria: The Group's business model for managing the assets and whether the instrument's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The assessment of the Group's business model and the nature of the contractual cash flows is made at the date when the Group becomes a party to the contractual provisions of the instruments. Generally the Group's business model for financial assets is held to collect. In situations where the Group provides (project) financing arrangements used to finance substantially all of the borrowers' assets, the borrowers generally do not have sufficient equity to absorb expected credit losses and hence recoverability of principal and interest are closely related to the performance of the underlying asset. Such financial assets are then measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Loans receivable classified as fair value through profit or loss and derivatives are initially

recognized at fair value on the date at which the contract is entered into and are subsequently measured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Fair value movements are presented in profit or loss in changes in fair value of financial instruments. The financial assets (and liabilities), measured at fair value in the statement of financial position, are required to be classified and disclosed in a three-tier fair value hierarchy. This classification prioritizes the inputs used in measuring the fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets

If the loan is part of a planned divestment, the loan is valued at its fair value less costs of disposal.

Trade and other current receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. These are initially recognized at fair value. The Group holds these receivables with the objective to collect the contractual cash flows and therefore measurement is at amortized cost less any provision for impairment. Trade receivables are generally due for settlement in 30 days and as such all classified as current.

The Group applies the simplified approach to measure expected credit losses, using a lifetime expected loss allowance for all trade and other current receivables. Trade receivables are impaired when there is objective evidence indicating that there is no reasonable expectation of recovery. These are based on an individual review for impairment due to increasing credit risk for a customer, past due amounts and by taking into account any retention right on product stored for the customer.

Derecognition of financial assets

A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual rights to receive cash flows from the financial asset have expired, or
- the Group has transferred its contractual rights to receive cash flows of the financial asset, or has assumed a contractual obligation to pay the received cash inflows in full without material delay to a third party under a pass-through arrangement; and either
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is deemed to be impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event'), and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Impairment for financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future

expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of income. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of income.

M. Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

N. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and cash equivalents which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

O. Equity

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized as liabilities in the period in which they are declared.

P. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

To the extent that decommissioning liabilities exist at the end of the useful lives that materially differ from the residual scrap value, these and any amendments thereto are included in the cost of assets.

Environmental provisions are recognized for soil contamination whereby agreements have been made with the local authorities to remediate or contain the soil contamination. The environmental provisions are discounted and have been determined based on agreed remediation plans using existing technology, at current prices and on estimates by third party experts. The recorded provisions comprise the expected costs of site restoration, environmental remediation, cleanup or other obligations that are known and based on an agreed project plan and can be reasonably estimated.

Q. Employee benefits

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by the employees. Short-term accumulating compensated absences such as paid annual leave are recognized when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognized when the absences occur.

Defined Contribution Plans

The Group has various defined contribution plans for its employees. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating

to employee service in the current and prior period.

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of income when due.

Defined Benefit Plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan.
The Company has two postretirement (defined benefit) pension plans and two post-employment obligations.

The defined benefit asset or liability comprises the present value of the defined obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund and are not available to the creditors of the Group, nor can they be paid directly to the Group.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

R. Financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost, except for financial guarantee contracts, derivatives and other liabilities designated at fair value through profit or loss.

Interest bearing debt

Interest bearing debt is initially recognized at fair value net of directly attributable transaction costs. After initial recognition, these items are subsequently recognized at amortized cost, applying the effective interest method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as a result of discharge, cancellation or expiration of the contractual obligation.

Borrowings, for which the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, are classified as non-current liabilities.

In the case where an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability.

Derivatives

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Fair value movements on derivatives are presented in profit or loss in changes in fair value of financial instruments. The financial liabilities (and assets), measured at fair value in the statement of financial position, are required to be classified and disclosed in a three-tier fair value hierarchy. This classification prioritizes the inputs used in measuring the fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly or indirectly
Level 3: Unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured

at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

S. Other accounting standards related to financial instruments

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

T. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps and forward foreign exchange contracts to hedge its risks. Such derivative financial instruments are initially recorded at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of income.

Hedges (if applicable) are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges of a net investment

This relates to hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as other comprehensive income, while any gains or losses relating to the ineffective portion are recognized in the statement of income. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of income.

Current versus non-current classification

Derivative instruments are classified as current or non-current or separated into a current and non-current portion in the statement of financial position based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows):

- When the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current consistent with the classification of the underlying item.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and a non-current portion only if a reliable allocation can be made.

Fair Value Measurement

The Group measures financial instruments, such as derivatives, and certain non-financial assets at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

U. Statement of cash flows

The statement of cash flow is prepared using the indirect method. Cash flows denominated in foreign currencies are translated at the rate prevailing on the date of the transaction. Changes in balance sheet items that have not resulted in cash flows, such as translation differences and other non-cash items, have been eliminated for the purposes of preparing this statement.

The cash flows in the statement of cash flow are divided between operating activities, investing activities and financing activities. Receipts and expenditures relating to interest and income taxes are included in the cash flows from operating activities. Cash flows arising from the acquisition of subsidiaries and non-controlling interests are included in the cash flows from investing activities. Dividend distributions are included in the cash flows from financing activities.

V. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term. In addition, the right-of-use asset is periodically adjusted to reflect remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted

using the incremental borrowing rate of the group entity entering into the lease. The incremental borrowing rate is the rate that the relevant entity would have to pay to borrow the funds required to purchase an asset of similar value to the right-of-use asset, in a similar economic environment with similar terms and conditions.

Lease payments included in the measurement of the lease liability comprise the following:
a. fixed payments, including in-substance fixed payments;
b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if there is a revised in-substance fixed lease payment. In relation to the associated right-of-use asset a corresponding adjustment is made to the carrying amount.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. At lease inception the Group determines whether a lease is a finance lease or an operating lease.

In order to determine the lease classification, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. In such cases where this occurs, then the lease is classified as a finance lease; otherwise it is classified as an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the majority of the residual economic life of the underlying asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract between the components.

IV. Significant accounting estimates and judgments and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience, terms of existing contracts and trends in the industry. The results form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Impairment of goodwill and other non-financial assets

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the fair value of the cash-generating units to which the goodwill is allocated. Estimating the fair value requires the Group to make an estimate of the fair value less costs for disposal or the value-in-use. When estimating fair value we are required to make estimates including expected future cash flows from the cash-generating unit and a suitable discount rate. Additionally when determining fair value less costs of disposal, an appropriate valuation model should be used which includes calculations that are corroborated by discounted cash flows, valuation multiples or other available

fair value indicators. See further discussion of goodwill in Note 10. Intangible assets.

Other non-financial assets are reviewed for impairment as appropriate and when circumstances indicate that the carrying value may be impaired. See further discussion of impairment in Note 27. Impairment.

B. Useful life of property, plant and equipment

The Group assesses the remaining useful lives of items of property, plant and equipment at least at each financial period end. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate. These estimates may have a material impact on the amount of the carrying values of property, plant and equipment and on depreciation recognized in profit or loss account. Further details are given in Note 11. Property, plant & equipment .

C. Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of certain of the Group's terminal facilities. The ultimate decommissioning costs are marked by a high level of uncertainty, as cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing, in most cases are far in the future, and amount of expenditure can also change based on the factors above.

Additionally, it has been assessed that the decommissioning costs can be largely covered by the scrap value of the tanks and its main components. Therefore, the net decommissioning costs are not deemed significant in relationship to the new tank investments and as such no provision has been recognized.

D. Provisions

The preparation of the assessment for provision recognition requires material assumptions regarding the probability of an outflow of resources to settle the obligation and the assessment whether a reliable estimate of the amount can be made.

Additionally it is required to assess whether the effect of the time value of money is material. If this is the case, the provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. The estimation of the discount rate may have a material impact on the amount of the carrying value of the provisions. See further discussion in Note 20. Provisions.

E. Employee benefits

Certain group companies' employees participate in a defined benefit pension scheme. For defined benefit schemes, management is required to make assumptions regarding the discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. See further discussion in Note 21. Postretirement and post-employment benefit obligations.

F. Income Tax

The Group recognizes the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires management to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realize the net deferred tax assets recorded at the balance sheet date could be impacted.See further discussion in Note 13. Deferred income taxes.

G. Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. See further discussion in Note 25. Commitments and contingencies not appearing in the balance sheet.

H. Leases

Many of the Group's land and jetty leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. Currently the Group has included all extension options for the land and jetty leases in the lease liability as it is reasonably certain that the Group will exercise these.

3. Group companies and business combinations

Entities in the VTTI Group

The below table shows the entities within the VTTI Group as at December 31, 2022 and December 31, 2021. Ownership percentages represent the relative legal ownership and are similar to the economic interests. The only exception is Euro Tank Terminal B.V., in which the Group holds 90% of the economic rights but 95% of the legal ownership.

Company	Country of registration	Ownership 2022	Ownership 2021
VTTI B.V.	The Netherlands		
Adriatic Tank Terminal d.o.o.	Croatia	70.00 %	70.00 %
Adriatic Tank Terminal Holdings d.o.o.	Croatia	70.00 %	70.00 %
Antwerp Terminal and Processing Company - Refinery BVBA	Belgium	100.00 %	100.00 %
Antwerp Terminals Processing Company - Terminal N.V.	Belgium	100.00 %	100.00 %
ATT Tanjung Bin Sdn Bhd	Malaysia	100.00 %	100.00 %
Burgan Cape Terminals Pty Ltd	South Africa	72.00 %	72.00 %
Burgan Oil Infrastructure Pty Ltd	South Africa	100.00 %	100.00 %
Djibouti Gas Terminal FZE	Djibouti	100.00 %	100.00 %
ETT 4 B.V.	The Netherlands	100.00 %	100.00 %
Euro Tank Terminal B.V.	The Netherlands	95.00 %	95.00 %
Eurotank Amsterdam B.V.	The Netherlands	100.00 %	100.00 %
Eurotank Holding Sàrl (1)	Switzerland	— %	100.00 %
IL&FS Prime Terminals FZC (1)	United Arab Emirates	— %	90.00 %
Island Project and Operating Services LLC	US Virgin Islands	100.00 %	100.00 %
ITank B.V.	The Netherlands	100.00 %	100.00 %
Karachi Hydrocarbon Terminals Ltd.	Pakistan	51.00 %	51.00 %
Petroamerica Terminal, S.A.	Panama	75.00 %	75.00 %
Seaport Canaveral Corporation	United States	100.00 %	100.00 %
Vitco SRL	Argentina	100.00 %	100.00 %
VTT Vasiliko Ltd	Cyprus	100.00 %	100.00 %
VTTI Asia Pte Ltd	Singapore	100.00 %	100.00 %
VTTI Bio-Energy Tilburg B.V.	The Netherlands	100.00 %	100.00 %
VTTI Cyprus Ltd	Cyprus	100.00 %	100.00 %
VTTI Emirates Ltd. FZC	United Arab Emirates	90.00 %	90.00 %
VTTI Fujairah Terminals Ltd FZC	United Arab Emirates	90.00 %	90.00 %
VTTI Holdings China B.V.	The Netherlands	100.00 %	100.00 %
VTTI Kenya Ltd	Kenya	99.98 %	99.98 %
VTTI Middle East FZE	United Arab Emirates	100.00 %	100.00 %

Entities in the VTTI Group (continued)

Company	Country of registration	Ownership 2022	Ownership 2021
VTTI MLP B.V.	The Netherlands	100.00 %	100.00 %
VTTI MLP Services Ltd	The United Kingdom	100.00 %	100.00 %
VTTI Terminals I B.V.	The Netherlands	100.00 %	100.00 %
VTTI Terminals II B.V.	The Netherlands	100.00 %	100.00 %
VTTI South Africa B.V.	The Netherlands	100.00 %	100.00 %
VTTI Terminal Support Services B.V.	The Netherlands	100.00 %	100.00 %
VTTI (Shanghai) Management Consulting Co., Ltd	China	100.00 %	— %

(1) The entity has been liquidated or has been merged in 2022

4. Investment in joint ventures and associates

VTTI has investments in companies which provide terminaling storage and services or are related to the storage industry. The following investments are accounted for using the equity method in the consolidated financial statements of the Company:

Company	Country of registration	2022	2021
Interest in Joint Ventures			
Navgas Ltd.	Nigeria	50.0 %	50.0 %
VTTI Terminals Dalian Ltd.	China	50.0 %	50.0 %
Interest in Associates			
Burdock Tank Terminals Services B.V.	The Netherlands	25.0 %	25.0 %
VTTI Egypt SEA	Egypt	49.0 %	49.0 %
Ventspils Nafta Terminals SIA	Latvia	49.0 %	49.0 %
VTS Vasiliko Tugboat Services Ltd.	Cyprus	33.3 %	33.3 %

Investments

The movements for the year can be specified as follows:

In USD thousands	2022	2021
Balance at January 1, 2022	**81,307**	**74,577**
Share in the result for the year	4,235	6,480
Dividends	(1,450)	(1,570)
Liabilities associated with joint ventures and associates	1,213	1,059
Effect of movements in exchange rates	(5,048)	761
Share in other comprehensive income for the year	32	
Balance at December 31, 2022	**80,289**	**81,307**

Risk associated with interests in joint ventures and associates

The risks associated with the Group's joint ventures and associates are generally related to the performance of the entity which is influenced by the location of the assets and activities of the entity. Additionally the Group has provided funding to certain of its joint ventures and associates for capital projects. Reference is made to Note 14 Financial Instruments.

Share in results of joint ventures and associates

The Group's share of the assets and liabilities as at December 31, 2022 and 2021 as well as the share in revenue, expenses and profit for the year, for both joint ventures and associates, is as follows:

December 31, 2022	Ventspils Nafta Terminals SIA	Navgas Ltd.	VTTI Terminals Dalian	Other associates	Total
In USD thousands					
Results					
Revenues	29,695	8,288	15,784	632	**54,399**
Expenses	(19,669)	(12,405)	(12,885)	(1,520)	**(46,479)**
Profit for the year	10,026	(4,117)	2,899	(888)	**7,920**
Group share of profit for the year	4,913	(1,844)	1,442	(276)	**4,235**
Assets and liabilities					
Non-current assets	52,334	20,201	123,038	12,211	**207,784**
Current assets	13,663	9,636	15,898	4,678	**43,875**
Total assets	65,997	29,837	138,936	16,889	**251,659**
Non-current liabilities	15,313	33,355	15,390	23,334	**87,392**
Current liabilities	5,428	25,442	7,319	83	**38,272**
Total liabilities	20,741	58,797	22,709	23,417	**125,664**
Equity	45,256	(28,960)	116,227	(6,528)	**125,995**
Group share in equity	22,175	(14,480)	58,114	(2,174)	**63,635**
Group carrying amount of the investment	22,175	—	58,114	—	**80,289**
Liabilities associated with joint ventures and associates	—	(14,480)	—	(2,174)	**(16,654)**

December 31, 2021	Ventspils Nafta Terminals SIA	Navgas Ltd.	VTTI Terminals Dalian	Other associates	Total
Results					
Revenues	33,129	7,729	18,931	710	**60,499**
Expenses	(22,417)	(10,152)	(13,395)	(1,678)	**(47,642)**
Profit for the year	10,712	(2,423)	5,536	(968)	12,857
Group share of profit for the year	5,249	(1,217)	2,768	(320)	**6,480**
Assets and liabilities					
Non-current assets	58,002	22,782	135,959	13,609	**230,352**
Current assets	3,434	7,522	12,426	4,348	**27,730**
Total assets	61,436	30,304	148,385	17,957	**258,082**
Non-current liabilities	17,651	33,355	17,428	23,974	**92,408**
Current liabilities	6,504	24,037	4,879	82	**35,502**
Total liabilities	24,155	57,392	22,307	24,056	**127,910**
Equity	37,281	(27,088)	126,078	(6,099)	**130,172**
Group share in equity	18,267	(13,544)	63,039	(2,013)	65,749
Group carrying amount of the investment	18,267	—	63,039	—	**81,306**
Liabilities associated with joint ventures and associates	—	(13,544)	—	(2,013)	**(15,557)**

5. Related party transactions

Sales, purchases, charges to and from related parties

The Group in its normal activities renders storage and storage related services to and purchases other services from related parties at arm's length prices.

The transactions with Vitol Group of companies and other related parties can be specified as follows:

In USD thousands	2022	2021
Sales and charges to		
Vitol Group of companies	226,896	257,771
Joint ventures, associates and others	141	1,470
Total	**227,037**	**259,241**
Purchases and charges from		
Vitol group of companies	13,200	2,046
Joint ventures, associates and others	248	309
Total	**13,448**	**2,355**
Interest income		
Vitol group of companies	59	84
Joint ventures, associates and others (1)	—	—
Total	**59**	**84**
Interest expense		
Vitol group of companies	—	—
Joint ventures, associates and others	101	22
Total	**101**	**22**

Receivables and payables to and from related parties

The receivable and payable amounts resulting from the related party transactions are as follows:

In USD thousands	2022	2021
Amounts receivable		
Vitol group of companies	26,983	31,315
Other related parties	59	—
Due from related parties	27,042	31,315
Joint ventures and associates	2,879	1,300
Total	**29,921**	**32,615**
Amounts payable		
Vitol group of companies	2,974	1,277
Other related parties (1)	75,046	—
Due to Related parties	**78,020**	**1,277**
Joint ventures and associates	98	102
Total	**78,118**	**1,379**

(1) Loan from the Company's direct shareholder VTTI Finance B.V. For more details refer to note 14. Financial instruments

There have been no guarantees provided or received for any related party receivables or payables. The provisions for doubtful accounts related to receivables from related parties amount to $2.1 million (2021: $2.1 million)

Transactions with key management personnel

The total remuneration of the Board of Directors and former directors of the Group during the financial year is $8.3 million (2021: $6.5 million). The remuneration of the Supervisory Board members is $nil (2021: $nil).

6. Revenues and operating income

Revenue and operating income is as follows:

In USD thousands	2022	2021
Storage and storage related fees	411,182	417,486
Processing fees	4,760	33,309
Other revenues	67,592	55,877
Total revenues	**483,534**	**506,672**
Other operating income	3,513	2,159
Total	**487,047**	**508,831**

The storage and storage related fees include revenues from rental of storage capacity and related services, such as blending, homogenization and temperature control.

Processing fees include fees charged related to refinery storage and processing operations.

Other revenues primarily consist of revenues related to cost reimbursements received from customers and sales of product from recovered vapors.

Other operating income mostly relates to insurance proceeds for property damage and business interruption.

The total revenues by geographical region are as follows:

In USD thousands	2022	2021
Inside Europe	208,659	233,115
Outside Europe	274,875	273,557
Total	**483,534**	**506,672**

Segmentation

The Group considers its operations to occur in one reportable segment: the energy storage terminaling business. The Group derives its revenues and profits from operating segments, being the geographical locations the terminals operate in. The operating segments have been aggregated into one reportable segment because of their similar long-term economic characteristics, services, operations, types and classes of customers and methods used to render their services.

7. Personnel and other operating expenses

Personnel expenses

Personnel expenses are as follows:

In USD thousands	2022	2021
Salaries and wages	73,459	69,920
Social security contributions	9,194	8,818
Pension cost	5,760	5,199
Other personnel expenses	15,908	16,097
Total	**104,321**	**100,034**

The average number of employees (excluding joint ventures and associates) in full time equivalents ("FTE") is as follows:

In FTE	2022	2021
Inside Europe	457	435
Outside Europe	552	536
Total	**1,009**	**971**

Other operating expenses

Other operating expenses is as follows:

In USD thousands	2022	2021
Maintenance and repairs	26,708	28,391
Utilities and energy	26,754	23,410
Lease cost*	775	789
Safety and environmental costs	7,696	10,555
Other operating expenses	45,779	40,788
Total	**107,712**	**103,933**

* Includes variable payments, short-term and low-value leases. Refer to Note 12. Leases for more details

8. Interest income and expense

Interest income and expense is as follows:

In USD thousands	2022	2021
Interest income from finance leases	59	84
Interest income from cash & cash equivalents	6,931	4,417
Total interest income	**6,990**	**4,501**
Interest expense on leases	17,053	16,309
Interest expense on third party debt	39,975	37,660
Interest expense from unwinding of discounted provisions	(1,364)	2,505
Interest expense on related party loans	101	22
	55,765	**56,496**
Less: Capitalized borrowing costs	(569)	(1,328)
Total interest expense	**55,196**	**55,168**

9. Taxation

Income tax expense

The following income tax expense is recognized in the consolidated statement of income:

In USD thousands	2022	2021
Current income tax:		
Current income tax expense	**8,627**	**4,869**
Deferred income tax:		
Origination and reversal of temporary differences	(2,196)	9,737
Changes in tax rates	—	908
Previously unrecognized tax losses or temporary differences	(52)	3,057
	(2,248)	**13,702**
Total	**6,379**	**18,571**

Reconciliation of effective tax rate

In USD thousands	2022		2021	
Profit before tax	**28,899**		**29,534**	
Income tax using company's domestic tax rate	7,456	25.8 %	7,384	25.0 %
Effect of different tax rates in foreign jurisdictions	(8,113)	(28.1)%	(11,732)	(39.7)%
Share of results of associates and joint ventures	(1,129)	(3.9)%	(1,660)	(5.6)%
Changes in tax rates	—	— %	908	3.1 %
Previously unrecognized tax losses or temporary differences	(52)	(0.2)%	3,057	10.4 %
Different functional currencies for tax purposes	(6,192)	(21.4)%	(4,693)	(15.9)%
Effect of investment tax allowances	(7,604)	(26.3)%	(2,192)	(7.4)%
Outside basis differences	118	0.4 %	213	0.7 %
Non-deductible expenses	3,121	10.8 %	5,059	17.1 %
Non-recognition of deferred tax assets	21,311	73.7 %	25,286	85.6 %
Other movements	(2,537)	(8.8)%	(3,059)	(10.4)%
Total income tax expense	**6,379**	**22.1 %**	**18,571**	**62.9 %**

The effect of investment tax allowances is related to our terminal in Malaysia. Non-recognition of deferred tax assets is related to entities generating pre-tax losses for which no deferred tax assets have been recognized since no sufficient taxable profits are expected in the foreseeable future.

Income tax recognized in other comprehensive income

The following income tax expense is recognized as part of other comprehensive income:

In USD thousands	2022	2021
Remeasurement defined benefit plans	469	(214)
Exchange differences on translation of foreign operations	(1,356)	—
Total income tax expense / (income)	**(887)**	**(214)**

10. Intangible assets

In USD thousands	Goodwill	Lease rights Land	Software	Other intangible assets	Intangible Assets under Development	Total
At cost						
Balance at January 1, 2021	241,604	35,160	52,137	5,307	—	**334,208**
Additions - internally developed	—	—	—	—	—	—
Additions - other	—	—	16,043	1,362	—	**17,405**
Disposals	—	—	(1,905)	—	—	**(1,905)**
Reclassifications	—	(35,160)	—	—	—	**(35,160)**
Effect of movements in exchange rates	(13,115)	—	(3,137)	—	—	**(16,252)**
Balance at December 31, 2021	**228,489**	**—**	**63,138**	**6,669**	**—**	**298,296**
Balance at January 1, 2022	228,489	—	63,138	6,669	—	**298,296**
Additions - internally developed	—	—	—	—	—	—
Additions - other	—	—	8,451	—	—	**8,451**
Disposals	—	—	(873)	—	—	**(873)**
Reclassifications	—	—	(10,311)	1,919	8,311	**(81)**
Effect of movements in exchange rates	(9,680)	—	(2,222)	(309)	61	**(12,150)**
Balance at December 31, 2022	**218,809**	**—**	**58,183**	**8,279**	**8,372**	**293,643**
Accumulated amortization and impairment losses						
Balance at January 1, 2021	(84,400)	(18,337)	(27,485)	—	—	**(130,222)**
Amortization	—	—	(5,795)	(272)	—	**(6,067)**
Disposals	—	—	736	—	—	**736**
Impairment	—	—	(1,055)	—	—	**(1,055)**
Reclassifications	—	18,337	—	—	—	**18,337**
Effect of movements in exchange rates	6,581	—	1,417	—	—	**7,998**
Balance at December 31, 2021	**(77,819)**	**—**	**(32,182)**	**(272)**	**—**	**(110,273)**
Balance at January 1, 2022	(77,819)	—	(32,182)	(272)	—	**(110,273)**
Amortization	—	—	(6,725)	(1,248)	—	**(7,973)**
Disposals	—	—	—	—	—	—
Impairment	—	—	—	—	—	—
Reclassifications	—	—	520	(520)	—	—
Effect of movements in exchange rates	5,115	—	1,252	—	—	**6,367**
Balance at December 31, 2022	**(72,704)**	**—**	**(37,135)**	**(2,040)**	**—**	**(111,879)**
Carrying amounts						
At January 1, 2021	157,204	16,823	24,652	5,307	—	203,986
At December 31, 2021	150,670	—	30,956	6,397	—	188,023
At December 31, 2022	**146,105**	**—**	**21,048**	**6,239**	**8,372**	**181,764**

In 2022 the land lease rights balance has been reclassified to right of use assets.

The intangible assets can be allocated to geographical locations as follows:

In USD thousands	2022	2021
Inside Europe	100,605	103,320
Outside Europe	81,159	84,703
Total intangible fixed assets	**181,764**	**188,023**

Goodwill

The carrying amount of goodwill is shown below:

In USD thousands	Eurotank Amsterdam B.V.	Euro Tank Terminal B.V.	VTTI Fujairah Terminals Ltd	Petroamerica Terminal, S.A.	Adriatic Tank Terminal d.o.o.	Karachi Hydrocarbon Terminals Ltd	Total
At cost							
Balance at January 1, 2022	53,207	81,938	30,247	42,113	17,311	3,673	**228,489**
Acquisitions	—	—	—	—	—	—	**—**
Effect of movements in exchange rates	(3,101)	(4,776)	—	—	(1,009)	(794)	**(9,680)**
Balance at December 31, 2022	**50,106**	**77,162**	**30,247**	**42,113**	**16,302**	**2,879**	**218,809**
Accumulated impairments							
Balance at January 1, 2022	(42,555)	(31,591)	—	—	—	(3,673)	**(77,819)**
Impairment	—	—	—	—	—	—	**—**
Effect of movements in exchange rates	2,480	1,841	—	—	—	794	**5,115**
Balance at December 31, 2022	**(40,075)**	**(29,750)**	**—**	**—**	**—**	**(2,879)**	**(72,704)**
Carrying amounts							
At January 1, 2022	10,652	50,347	30,247	42,113	17,311	—	150,670
At December 31, 2022	**10,031**	**47,412**	**30,247**	**42,113**	**16,302**	**—**	**146,105**

VTTI has tested goodwill for impairment using both value in use and fair value less costs of disposal methodologies in line with IAS 36. The recoverable amount of cash generating units has been determined with reference to value in use.

For the purpose of value in use calculations, the projections are based on management's forecast for each cash generating unit, including revenues, operating expenses and sustaining capital expenditures. Utilization rates and revenues are based on existing customer contracts where applicable and management's estimate of market rates. Operating expenses and capital expenditures are based on forecasts and expected development over time including inflation.The pre-tax discount rates ranged between 8.2% and 10.4% and are based on risk-free government bond rates and adjusted for market and company specific risks. Long-term growth rates (2%) take into account estimated inflation, growth and risk free rates.

The assumptions referred to above are those identified by management as being key based on their impact on the determination of recoverable amount. These assumptions are based on information available at the time to management. Changes in one or more of these assumptions could result in a value which is lower than the carrying amount and therefore an impairment in future periods.

Land lease rights

The land lease rights related to historical acquisitions of projects in development stage, which had secured land lease rights. In 2021 the balance has been reclassified to right of use assets.

Other intangible assets

Other intangible assets primarily consists of capitalized software costs and customer contracts and relationships identified from acquisitions. Capitalized costs for software development include costs related to the development of the Group's operational and financial IT systems. The amortization period for amounts capitalized is generally 3 to 7 years. Customer contract intangibles are amortized over the remaining life of the contracts and customer relationships are amortized over the expected remaining useful life of the relationship, taking into account probability of contract renewals and the duration of associated contracts. The remaining useful lives of customer contracts and customer relationships is currently between 1 and 10 years.

11. Property, plant & equipment

In USD thousands	Land & Buildings	Tank farms	Jetties	Installations	Other equipment	Capital work in progress	Total
At cost							
Balance at January 1, 2021	156,505	1,471,238	309,683	1,227,196	111,605	140,474	**3,416,701**
Correction	—	—	—	—	—	—	**—**
Additions - arising on business combinations	9,647	37,893	20,124	62,621	2,237	—	**132,522**
Additions	—	6	—	7	41	140,060	**140,114**
Capitalized borrowing costs	—	—	—	—	—	1,328	**1,328**
Commissioning of assets	6,748	57,866	7,710	72,731	5,497	(150,552)	**—**
Disposals	(1,394)	(34,595)	(726)	(54,227)	(4,257)	—	**(95,199)**
Reclassifications	—	—	—	—	—	—	**—**
Effect of movements in exchange rates and hyperinflation adjustments	(3,828)	(64,203)	(15,317)	(52,579)	(5,955)	(11,875)	**(153,757)**
Balance at December 31, 2021	**167,678**	**1,468,205**	**321,474**	**1,255,749**	**109,168**	**119,435**	**3,441,709**
Balance January 1, 2022	167,678	1,468,205	321,474	1,255,749	109,168	119,435	**3,441,709**
Correction	—	—	—	—	—	—	**—**
Additions - arising on business combinations	—	70	6	(68)	(9)	—	**(1)**
Additions	—	5,545	—	137	696	110,883	**117,261**
Capitalized borrowing costs	—	—	—	—	—	569	**569**
Commissioning of assets	1,201	60,654	3,505	51,672	9,233	(126,265)	**—**
Disposals	(71)	(1,218)	(51)	(2,706)	(1,014)	(2,736)	**(7,796)**
Reclassifications	—	—	—	—	—	—	**—**
Effect of movements in exchange rates and hyperinflation adjustments	(2,694)	(48,013)	(11,048)	(38,464)	(4,644)	(8,361)	**(113,224)**
Balance at December 31, 2022	**166,114**	**1,485,243**	**313,886**	**1,266,320**	**113,430**	**93,525**	**3,438,518**

In USD thousands	Land & Buildings	Tank farms	Jetties	Installations	Other equipment	Capital work in progress	Total
Accumulated depreciation and impairment losses							
Balance at January 1, 2021	(55,878)	(627,193)	(145,815)	(631,582)	(67,442)	12,590	**(1,515,320)**
Correction	—	—	—	—	—	—	**—**
Accumulated depreciation arising on business combinations	(1,842)	(7,371)	(4,933)	(18,141)	(858)	—	**(33,145)**
Depreciation charge for the year	(4,937)	(47,007)	(9,602)	(62,797)	(5,530)		**(129,873)**
Impairment	(406)	(5,810)	675	(1,283)	(460)	(14,533)	**(21,817)**
Reversal of impairment	—	—	—	—	—	—	**—**
Disposals	1,131	33,680	613	54,332	4,178		**93,934**
Reclassifications	(304)	(1,441)	(1,175)	(5,481)	13	8,388	**—**
Effect of movements in exchange rates and hyperinflation adjustments	1,760	30,501	8,708	29,349	3,682	—	**74,000**
Balance at December 31, 2021	**(60,476)**	**(624,641)**	**(151,529)**	**(635,603)**	**(66,417)**	**6,445**	**(1,532,221)**
Balance January 1, 2022	(60,476)	(624,641)	(151,529)	(635,603)	(66,417)	6,445	**(1,532,221)**
Accumulated depreciation arising on business combinations	—	2	—	—	—	—	**2**
Depreciation charge for the year	(4,660)	(42,021)	(9,230)	(59,652)	(5,867)	—	**(121,430)**
Impairment	—	—	—	—	—	—	**—**
Reversal of impairment	—	—	—	—	—	—	**—**
Disposals	105	(4,029)	193	3,679	1,081	—	**1,029**
Reclassifications	240	1,464	1,991	(4,035)	340	—	**—**
Effect of movements in exchange rates and hyperinflation adjustments	1,304	21,693	6,238	21,266	2,989	—	**53,490**
Balance at December 31, 2022	**(63,487)**	**(647,532)**	**(152,337)**	**(674,345)**	**(67,874)**	**6,445**	**(1,599,130)**
Carrying amounts							
At January 1, 2021	100,627	844,045	163,868	595,614	44,163	153,064	1,901,381
At December 31, 2021	107,202	843,564	169,945	620,146	42,751	125,880	1,909,488
At December 31, 2022	102,627	837,711	161,549	591,975	45,556	99,970	1,839,388

Refer to Note **27. Impairment** for details of impairment.

The amount of borrowing costs capitalized during the year ended December 31, 2022 was $0.6 million (2021: $1.3 million) related to capital assets under construction.

The property, plant and equipment can be allocated to geographical locations as follows:

In USD thousands	2022	2021
Inside Europe	957,716	986,183
Outside Europe	881,672	923,305
Total property, plant &	**1,839,388**	**1,909,488**

12. Leases

The Group has a portfolio of land leases and leases of other non-current assets such as jetties, office buildings and other equipment. Most of the land and jetty leases contain extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements generally do not impose covenants other than the security interest in the leased asset that are held by the lessor.

Right-of-use assets

Set out below are the carrying amounts of right of use assets and the movements during the period:

In USD thousands	Land Lease	Jetty Lease	Other leases	Total
Balance at January 1, 2021	**392,216**	**40,746**	**4,495**	**437,457**
Additions	9,397	505	1,484	11,386
Additions - arising on business combinations	44,444	—	—	44,444
Remeasurement	—	—	—	—
Reclassifications	16,823	—	—	16,823
Termination	—	—	(288)	(288)
Disposal	—	—	—	—
Impairment	—	—	—	—
Depreciation	(13,580)	(1,289)	(1,702)	(16,571)
Effect of movements in exchange rates	(14,532)	(3,375)	(337)	(18,244)
Balance at December 31, 2021	**434,768**	**36,587**	**3,652**	**475,007**

In USD thousands	Land Lease	Jetty Lease	Other leases	Total
Balance at January 1, 2022	**434,768**	**36,587**	**3,652**	**475,007**
Additions	1,513	189	2,219	3,921
Additions - arising on business combinations	(174)	—	—	(174)
Remeasurement	4,477	595	16	5,088
Reclassifications	(32)	—	(13,569)	(13,601)
Termination	—	—	(1,698)	(1,698)
Disposal	—	—	—	—
Impairment	—	—	—	—
Depreciation	(14,408)	(1,170)	(1,732)	(17,310)
Effect of movements in exchange rates	(10,583)	(2,387)	12,981	11
Balance at December 31, 2022	**415,561**	**33,814**	**1,869**	**451,244**

Lease liabilities
Set out below are the carrying amounts of lease liabilities and the movements during the period:

In USD thousands	2022	2021
Balance at January 1	**468,849**	**434,054**
Additions and remeasurements	6,114	10,525
Additions - arising on business combinations	(174)	44,444
Accretion of interest	17,053	16,309
Payments	(22,072)	(21,304)
Effect of movements in exchange rates	(11,118)	(15,179)
Balance at December 31	**458,652**	**468,849**
Current	20,905	21,514
Non-Current	437,748	447,335
Total	**458,653**	**468,849**

The maturity analysis of lease liabilities based on contractual undiscounted payments is as follows:

In USD thousands	2023	2024	2025 and thereafter
Lease liabilities	20,905	21,323	807,453

Amounts recognized in profit or loss

In USD thousands	2022	2021
Depreciation	17,310	16,571
Interest	17,053	16,309
Impairment	—	—
Other lease cost	775	789
Total	**35,138**	**33,669**

Other lease costs include payments for short-term leases and low value leases as well as variable lease payments.

The Group as lessor

Operating leases
Although generally the Group's contracts with customers do not contain leases due to the lack of an identified asset, there are instances where the contracts with customers do contain a lease component. With the exception of the contracts referred to above, such leases classify as operating leases. As the recognition of revenue is similar in both timing and measurement as revenues recognized under IFRS 15 – Revenue from Contracts with Customers, this income is not presented separately.

13. Deferred income taxes

In USD thousands	Carry-forward losses	Property, plant and equipment	Other	Netting effects	Statement of financial position
Deferred tax assets	23,712	—	11,213	(28,035)	6,890
Deferred tax liabilities	—	(132,635)	(6,053)	28,035	(110,653)
Balance at January 1, 2021	**23,712**	**(132,635)**	**5,160**	**—**	**(103,763)**
Movements during the year:					
Statement of income	(3,020)	(10,297)	(385)		
Other comprehensive income	—	—	214		
Reclassifications and other movements	(65)	—	65		
Effect of movements in exchange rates	(1,846)	2,955	661		
Balance at December 31, 2021	**18,781**	**(139,977)**	**5,715**		
Deferred tax assets	18,781	—	11,192	(26,379)	3,594
Deferred tax liabilities	—	(139,977)	(5,477)	26,379	(119,075)
Balance at December 31, 2021	**18,781**	**(139,977)**	**5,715**	**—**	**(115,481)**
Movements during the year:					
Statement of income	(2,243)	9,677	(5,185)		
Other comprehensive income	—	—	(469)		
Reclassifications and other movements	—	112	(112)		
Effect of movements in exchange rates	80	(3,695)	4,921		
Balance at December 31, 2022	**16,618**	**(133,883)**	**4,870**		
Deferred tax assets	16,618	—	10,202	(24,446)	2,374
Deferred tax liabilities	—	(133,883)	(5,332)	24,446	(114,769)
Balance at December 31, 2022	**16,618**	**(133,883)**	**4,870**	**—**	**(112,395)**

Carry-forward losses
The Group has carry-forward losses in several jurisdictions, which are available for offset against future taxable profits of the companies in which the losses arose. To the extent sufficient taxable profits will be available against which the tax losses carried forward can be utilized, the Company has recognized a deferred tax asset.

Property, plant and equipment
The Group has recorded several temporary differences in the valuation of the property, plant and equipment that result in significant deferred tax liabilities. The changes in the deferred tax liability for property, plant and equipment are a consequence of accelerated depreciation schemes for tax purposes. Reclassifications are due to the offset of any deferred tax asset for tax loss carry-forwards against corresponding deferred tax liabilities.

Other temporary differences
Other deferred tax assets and liabilities as recorded by the Group relate to temporary differences between book value and tax base, mainly for provisions, derivative financial instruments and deferred foreign exchange gains.

Netting effects
Deferred tax assets and liabilities are offset by tax jurisdiction, to the extent that the Group has a legally enforceable right to do so.

Deferred tax assets not recognized in the consolidated statement of financial position

The Group has carry-forward losses amounting to $216 million for which no deferred tax assets are recognized, since it is not probable that sufficient taxable profits will be available to utilize these in the future. In addition the Group has not recognized deferred tax assets for various temporary differences, due to a lack of taxable income expected to become available for offset in the foreseeable future by the relevant entities. .

14. Financial instruments

The Group operates internationally and is exposed to credit, liquidity and market risks from changes in prices, interest and foreign exchange rates. Details of the Group's risk policies and exposures have been included in Note 26. Risk and risk management. The Group's financial instruments have been divided into financial assets and liabilities for the purpose of presentation below.

14.1 Financial assets

In USD thousands	Note	2022	2021
Derivatives not designated as hedging instruments:			
Interest rate swap contracts (non-current)	*14.3 & 14.4*	—	185
Interest rate swap contracts (current)	*14.3 & 14.4*	862	109
		862	**294**
Financial assets:			
Loans to joint ventures, associates & non-controlling interests	14.3	44,249	49,055
Tax receivables	*24*	19,356	21,504
Finance lease receivables (non-current)		1,384	1,325
Finance lease receivables (current)	15	—	—
Other non-current receivables		186	267
Trade and other receivables	*15*	45,141	49,098
		110,316	**121,249**
Balance at December 31		**111,178**	**121,543**

The interest rate swaps are used by the Group to mitigate variable interest rate exposure. Such instruments are not designated as hedging instruments for accounting purposes.

14.2 Financial liabilities

Interest bearing financial liabilities

In USD thousands	2022	2021
Interest bearing loans:		
VTTI Finance B.V. Shareholder Revolving Credit Facility 2020	75,000	—
VTTI B.V. 2015 Senior Unsecured Notes	308,658	448,868
VTTI B.V. 2017 Senior Unsecured Notes	475,453	488,785
VTTI B.V. 2020 Fixed Rate Notes	37,500	—
South Africa Credit Facility	23,437	29,668
Pakistan Credit Facility	16,678	21,284
VTTI Holdings China Credit Facility	45,000	45,000
Other third party loans	—	—
Total interest bearing loans	**981,726**	**1,033,605**
Debt issuance costs	(4,714)	(6,206)
Less current portion	(21,991)	(157,534)
Non-current interest bearing loans	**955,021**	**869,865**
Current interest bearing loans:		
Current portion of interest bearing loans listed above	21,991	157,534
Bank overdrafts	77,744	55,385
Current interest bearing loans	**99,735**	**212,919**
Balance at December 31	**1,054,756**	**1,082,784**

VTTI B.V. Revolving Credit Facility 2020

VTTI entered into a $100 million revolving credit facility in October 2020 with a maturity date of October 23, 2025. The facility contains covenants and conditions customary for these type of financings.

As at December 31, 2022, VTTI was in compliance with its covenants under this facility.

VTTI Finance B.V. Shareholder Revolving Credit Facility 2020

VTTI entered into a $350 million revolving loan facility agreement with its direct shareholder VTTI Finance B.V. with a maturity date of October 23, 2030. The borrowings under this facility are subordinated to VTTI's senior liabilities arising under certain of its other interest bearing loans, including the VTTI BV Revolving Credit Facility 2020, the VTTI B.V. 2015 & 2017 Senior Unsecured Notes and the VTTI B.V. 2020 Fixed Rate Notes.

VTTI B.V. 2015 Senior Unsecured Notes

In December 2015, a former subsidiary of VTTI, VTTI MLP B.V., issued senior unsecured notes ("2015 Notes"). In December 2017, the 2015 Notes were transferred from VTTI MLP B.V. to VTTI B.V.. The 2015 notes were issued in various tranches in the following amounts, interests and maturities:

- $ 75 million 4.53% Series A Senior Unsecured Notes due December 15, 2022 (repaid December 2015, 2022);
- $ 72 million 4.87% Series B Senior Unsecured Notes due December 15, 2025;
- $ 98 million 4.97% Series C Senior Unsecured Notes due December 15, 2027;

- € 50 million 2.50% Series D Senior Unsecured Notes due December 15, 2022 (repaid December 15, 2022); and
- €130 million 2.86% Series E Senior Unsecured Notes due December 15, 2025.

The principal amounts of the 2015 Notes are due in full at maturity . The 2015 Notes contain covenants and conditions customary for these kind of financings.

As at December 31, 2022 VTTI was in compliance with the financial covenants in relation to the 2015 Notes.

VTTI B.V. 2017 Senior Unsecured Notes
In December 2017, VTTI issued senior unsecured notes ("2017 Notes") in various tranches in the following amounts, interests and maturities:

- $ 100 million 3.8% Series A Senior Unsecured Notes due December 15, 2024;
- $ 95 million 4.05% Series B Senior Unsecured Notes due December 15, 2027;
- $ 65 million 4.15% Series C Senior Unsecured Notes due December 15, 2029;
- € 84 million 1.6% Series D Senior Unsecured Notes due December 15, 2024; and
- €118 million 2.03% Series E Senior Unsecured Notes due December 15, 2027.

The principal amounts of the 2017 Notes are due in full at maturity. The 2017 Notes contain covenants and conditions customary for these kind of financings.

As at December 31, 2022 VTTI was in compliance with the financial covenants in relation to the 2017 Notes.

VTTI B.V. 2020 Fixed Rate Notes
In October 2020, VTTI agreed to fixed rate notes that are issued on December 15, 2022 (“2020 Notes”), in the following amount, interest and maturity:

- $37.5 million 3.914% due December 15, 2030.

The principal amounts of the 2020 Notes are due in full at maturity. The 2020 Notes contain covenants and conditions customary for these kind of financings.

As at December 31, 2022, VTTI was in compliance with the financial covenants in relation to the 2020 Notes.

South Africa Credit Facility
In December 2017, VTTI's subsidiary, Burgan Cape Terminals Pty Ltd ("BCT"), entered into a ZAR 670 million project financing facility with a maturity of December 2027.
The facility contains covenants and conditions customary for these type of project financings.

As at December 31, 2022, BCT was in compliance with the financial covenants under this facility.

Pakistan Credit Facility
In April 2018, VTTI's subsidiary, Karachi Hydrocarbon Terminals Ltd ('KHT') entered into a PKR 4 billion project financing agreement with a maturity date of April 2024. The interest is calculated based on KIBOR plus a margin and is payable quarterly from the date of the first disbursement (May 2018). This financing agreement contains covenant and conditions customary for these type of project financings.

In 2020, KHT obtained regulatory relief under Rescheduling/Restructuring of Financing Facilities announced by State Bank of Pakistan triggered by the COVID-19 pandemic and received approval for a one year deferral with respect to repayment of principal payments due in 2020. Total term of the loan including grace period has been revised to 7 years from 6 years resulting in a maturity date of April 2025.

As of December 31, 2022, KHT has not been able to make payments under the terms of its Credit Facility Agreement ("Agreement") and has been in discussions with the relevant counterparty to restructure the Agreement. As a result the total amounts due under this Agreement of $16.7 million have been classified as current interest bearing loans as at December 31, 2022.

VTTI Holdings China BV Credit Facility

In May 2020, VTTI's subsidiary, VTTI Holdings China B.V. ("VTTI China") entered into a $45 million corporate acquisition financing facility with a maturity date of May 2023. In May 2023, the maturity of the facility was extended to May 2026.

The facility contains covenants and conditions customary for these type of corporate acquisition financings. As at December 31, 2022, VTTI China was in compliance with the terms of the facility.

Bank overdrafts

The Group has cash pooling agreements including a notional cash pooling agreement for certain of its subsidiaries. As at December 31, 2022, various subsidiaries within the Group had negative balances within the notional cash pool amounting to $77.7 million ($55.4 million as at December 31, 2021).

Derivatives and other financial liabilities

In USD thousands	Note	2022	2021
Derivatives not designated as hedging instruments:			
Interest rate swap contracts (non-current)	14.3 & 14.4	73	588
Interest rate swap contracts (current)	14.3 & 14.4	131	724
		204	**1,312**
Other financial liabilities at amortized cost, other than interest-bearing loans and borrowings:			
Trade and other payables	23	26,409	24,954
Lease liabilities (current)	12	20,905	21,514
Lease liabilities (non-current)	12	437,748	447,335
Other current liabilities	23	64,288	57,760
Tax payables	24	10,266	9,082
		559,616	**560,645**
Balance at December 31		**559,820**	**561,957**

The interest rate swaps are used by the Group to mitigate variable interest rate exposure. Such instruments are not designated as hedging instruments for accounting purposes.

14.3. Fair values

Trade receivables, other current assets, accounts payable, accrued expenses, and other current liabilities are carried at cost which approximates fair value due to their short-term nature.

The fair values of the financial instruments shown in the tables below as at December 31 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Group's own judgment about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Group based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, available observable and unobservable inputs.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- **Cash and cash equivalents:** The fair value of the Company's cash balances approximate the carrying amounts due to the current nature of the amounts.
- **Loans receivable:** The fair value of the loans receivable has been calculated using the discounted cash flows and the interest rates applicable in the loan agreements or if the loan is part of a planned divestment, the loan is valued at its fair value less costs of disposal.
- **Interest rate swap contracts*:*** The fair value of the interest rate swaps was determined using a discounted cash flow model based on market-based swap yield curves. The fair value of the interest rate swaps are the estimated amounts that we would receive or pay to terminate the agreements at the reporting date, taking into expected future interest rates.
- **Other non-current receivables:** This primarily relates to finance lease receivables and the fair value was determined using a discounted cash flow model and the interest rate implicit in the lease.
- **Variable rate debt:** The carrying value of long-term variable rate debt is considered to approximate fair value as it is floating rate debt with variable interest rates reset on a quarterly basis.
- **Fixed rate debt:** The fair value is determined by discounting the expected future cash flows to the valuation date. All cash flows are discounted by the discount rate corresponding to its payment date, where the discount rates are derived from market interest rates taking into account credit risk.

The following tables represent the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis as at December 31:

Fair value measurement in the fair value hierarchy of assets

In USD thousands	Fair value measurement at 2022 Total	Quoted prices in active markets for identical assets (Level 1)	Significant observant inputs (Level 2)	Fair value measurement at 2021 Total	Quoted prices in active markets for identical assets (Level 1)	Significant observant inputs (Level 2)
Current interest rate swap contracts	862	—	862	109	—	109
Non-current interest rate swap contracts	—	—	—	185	—	185
Non-current loans receivable at fair value	44,249	—	44,249	49,055	—	49,055
	45,111	**—**	**45,111**	**49,349**	**—**	**49,349**

Fair value measurement in the fair value hierarchy of liabilities

In USD thousands	Fair value measurement at 2022 Total	Quoted prices in active markets for identical assets (Level 1)	Significant observant inputs (Level 2)	Fair value measurement at 2021 Total	Quoted prices in active markets for identical assets (Level 1)	Significant observant inputs (Level 2)
Current interest rate swap contracts	**131**	—	131	**724**	—	724
Non-current interest rate swap contracts	**73**	—	73	**588**	—	588
	204	**—**	**204**	**1,312**	**—**	**1,312**

No financial liabilities were placed in Level 3 (significant unobservable inputs) of the fair value hierarchy, nor were there any transfers into or out of Level 1, Level 2 or Level 3 for the year ended December 31, 2022.

The following table represents the carrying amounts and estimated fair values of the Group's financial instruments other than financial instruments valued at fair value. The carrying amounts are included in the consolidated balance sheet under the indicated captions. The carrying value of trade accounts receivable, trade accounts payable and receivables / payables to owners and affiliates approximate their fair value.

In USD thousands	2022 Carrying amount	2022 Fair value	2021 Carrying amount	2021 Fair value
Financial assets:				
Floating rate loans to joint ventures and associates	39,911	39,911	44,606	44,606
Other non-current receivables	1,570	1,570	1,592	1,592
	41,481	**41,481**	**46,198**	**46,198**
Financial liabilities:				
Interest bearing loans				
Floating rate borrowings	237,859	237,859	151,337	151,337
Fixed rate borrowings	821,611	767,863	937,653	1,101,063
	1,059,470	**1,005,722**	**1,088,990**	**1,252,400**

14.4. Derivatives

Interest rate swap contracts

The Group has entered into interest rate swap contracts to manage the fluctuations in cash flow resulting from changes in the relevant benchmark interest rates. Under the terms of the interest rate swaps, the Group receives variable interest rate payments and makes fixed interest rate payments, thereby creating the equivalent of fixed rate debt for the notional amount of its hedged debt. As per December 31, 2022 there is an interest rate swap contract in place related to the JIBAR exposure on the South Africa Credit Facility and an interest rate swap contract in place related to the LIBOR exposure on the VTTI Holdings China B.V. Credit Facility

Refer to Note 26. Risk and risk management for further details regarding the Group's strategy with regard to interest rate risks.

The Group currently does not apply hedge accounting for its interest rate swap agreements and the change in fair value of these instruments is recognized in the consolidated statement of income in changes in fair value of financial instruments.

Information regarding our interest rate swaps is as follows:

In USD thousands	Currency	Interest	Fixed rate	Notional amount	Notional amount (USD)	Fair value (USD)
The Group receives floating and pays fixed interest:						
Interest rate swap (BCT)	ZAR	JIBAR 3M	8.72 %	R 285,420	16,768	(204)
Interest rate swap (Holding China)	USD	LIBOR 3M	1.71 %	US$ 45,000	45,000	862
						658

As at December 31, 2022, the total notional amount in US Dollars of the Group's outstanding interest rate swap contracts that were entered into in order to hedge debt obligations was $61.8 million (2021: $65.4 million).

The maturity dates of all interest rate swaps entered into correlate with the underlying maturity terms of credit facilities.

Details regarding the interest rate swap contracts are provided below:

In USD thousands	2022	2021
Liabilities:		
Interest rate swap contracts (current)	131	724
Interest rate swap contracts (non-current)	73	588
Balance at December 31	**204**	**1,312**

Changes in fair value of financial instruments

The total change in fair values of financial instruments is as follows:

In USD thousands	2022	2021
Realized results on derivatives	(18)	(4,366)
Unrealized results on derivatives	1,669	735
Fair value adjustment on financial instruments	56	—
Changes in fair value of financial instruments	**1,707**	**(3,631)**

15. Trade and other receivables

In USD thousands	2022	2021
Trade receivables	11,103	10,828
Less: provision for doubtful debt	(862)	(947)
	10,241	**9,881**
Due from joint ventures & associates	2,879	1,300
Due from related parties	24,068	28,160
Finance lease receivable	—	—
Other receivables	7,953	9,757
Balance at December 31	**45,141**	**49,098**

Other receivables from related parties are primarily with Vitol group companies. Refer to Note 5. Related party transactions for further details. As at December 31, 2022, the aging of trade receivables is as follows:

	2022			2021		
In USD thousands	**Gross**	**Provision**	**Net**	**Gross**	**Provision**	**Net**
Neither past due nor impaired	7,217		7,217	6,422		6,422
< 30 days	1,434		1,434	3,112		3,112
30-60 days	506		506	215		215
60-90 days	196		196	31		31
> 90 days	1,750	(862)	888	1,048	(947)	101
Total	**11,103**	**(862)**	**10,241**	**10,828**	**(947)**	**9,881**

As at December 31, 2022, trade receivables with an initial carrying value of $0.9 million (2021: $0.9 million) were impaired and fully provided for. See below for the movements in the provision for impairment of receivables.

In USD thousands	2022	2021
Balance at January 1	**947**	**2,739**
Utilization during the year	343	(2,206)
Charge for the year	(418)	441
Effect of movements in exchange rates	(10)	(27)
Balance at December 31	**862**	**947**

16. Inventories

In USD thousands	2021	2020
Products	4,635	3,572
Spare parts	6,584	7,651
Balance at December 31	**11,219**	**11,223**

Products are for internal use across the Group. Spare parts are used in the maintenance and repair processes for the Group's assets.

17. Cash and cash equivalents

In USD thousands	2022	2021
Cash at banks and on hand	250,559	159,923
Balance at December 31	**250,559**	**159,923**

VTTI B.V. and certain of its subsidiaries have entered into a notional cash pool agreement. As at December 31, 2022, various entities of the Group had negative balances within the cash pool amounting to $(77.7) million. These bank overdrafts are an integral part of the Group's cash management and are included in cash and cash equivalents in the statement of cash flows. The reconciliation with the Consolidated statement of cash flows is as follows:

In USD thousands	2022	2021
Cash and cash equivalents	250,559	159,923
Bank overdrafts	(77,744)	(55,385)
Balance at December 31	**172,815**	**104,538**

Cash at banks and on hand includes $0.2 million (2021: $0.0 million) that is restricted. The restricted cash balance relates to amounts set aside in relation to local project financing. All other cash, including the net balance of the notional cash pool, is freely available.

18. Hyperinflation

The Argentinian economy was designated as Hyperinflationary from July 1, 2018. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has to apply to the entities with operations in Argentina. Reference is made to Note 2. Significant Accounting Policies III.C Foreign Currency Translation for more details.

The main cumulative effects on the Group as of December 31, 2022 are:

- Total assets increased by $44.8 million mainly driven by property, plant and equipment;
- Total liabilities increased by $10.8 million driven by deferred tax liabilities;
- The total equity has increased by $33.9 million and is mainly presented as a translation adjustment through other comprehensive income;
- The net cumulative effect on the income statement was a loss of $8.7 million million; and
- A net monetary loss of $4.1 million is recognized in the year on net monetary items held in Argentinian Peso.

In USD thousands	2022	2021
Property, plant and equipment	44,760	34,776
Deferred tax liabilities	(10,816)	(12,172)
Other comprehensive income - Foreign currency translation reserve	42,663	28,929
Statement of income (including gain/(loss) on net monetary position)	(8,718)	(6,325)
Total impact on equity	**33,945**	**22,604**

19. Equity

Share capital & share premium

The authorized share capital of VTTI is €250,000 with an issued and fully paid-up share capital of €50,000. The share capital and share premium are maintained at a fixed amount in USD based on the historical exchange rates applicable on the dates when the shares were issued and contributions were received.

Foreign currency translation reserve

The foreign currency translation reserve includes accumulated foreign exchange effects arising on the translation of the balances and results of entities with a foreign functional currency as well as the foreign exchange effects of the translation of receivables and payables with group companies considered part of the Company's net investment in those entities. In addition, the accumulated effects of a net investment hedge are included in this component of equity.

Other reserves

The balance on other reserves represents the component of equity which is not freely distributable due to local regulatory requirements as well as statutory restrictions due to stipulations in group companies' articles of association.

Retained earnings

The balance on retained earnings is negative as per the end of the financial year. Since there are no legal or statutory restrictions on distributing share capital and / or share premium, there are no adverse consequences from the $3.4 million of dividends made to the direct shareholder during the year.

20. Provisions

In USD thousands	2022	2021
Environmental provisions	62,859	68,265
Postretirement benefit obligation	7,615	10,599
Post employment benefit obligation	3,996	4,518
Liabilities associated with joint ventures and associates	16,656	15,557
Restructuring provision	10,591	16,194
Other provision	640	—
Balance at December 31	**102,357**	**115,133**

Environmental provisions
The environmental provisions are recorded at different locations and are mainly for the purpose of remediation and removal of soil contamination.

In USD thousands	2022	2021
Balance at January 1	**68,265**	**69,088**
Unwinding of discount	2,315	2,506
Utilization	(69)	(235)
Effects of fair value adjustments	(3,679)	
Charge / (credit) to income statement resulting from changes in estimates	—	2,307
Effect of movements in exchange rates	(3,973)	(5,401)
Balance at December 31	**62,859**	**68,265**

The environmental provisions have been estimated based on agreed remediation plans using existing technology, at current prices corrected for inflation as appropriate and discounted using a discount rate of 3.6% (2021: 3.6%). The remediation period as defined in the remediation plans is set until between 2032 and 2033.

Liabilities associated with joint ventures and associates
The investment balances in Navgas Ltd and VTS Vasiliko Tugboat Services Ltd as at December 31, 2022 are $nil (2021: $nil) and both entities have since incurred net losses primarily related to unrealized losses from foreign exchange and interest expenses. VTTI recognizes its share of net losses in both entities as a liability on its balance sheet as it has a constructive obligation to provide continuing support to both of these entities.

Restructuring provision
As a result of the termination of a customer contract in Antwerp, a restructuring provision was recognized in 2022 which includes amounts for headcount reductions and other associated costs to exit the related activities.

21. Postretirement and post employment benefit obligations

Postretirement benefit obligation
The cost of providing the defined benefit pension is determined based upon independent actuarial valuations and several actuarial market assumptions.

The Group has two defined benefit pension plans (Netherlands and Belgium) covering a total of 396 employees (2021: 392).

The consolidated liability related to the defined benefit plans at December 31, 2022 is composed of the following items:

In USD thousands	2022	2021
Provision for pensions		
Present value of defined benefit obligation	23,953	31,763
Plan assets at fair value	(18,183)	(21,199)
Excess of plan assets	1,812	—
Unfunded status	**7,582**	**10,564**
Effect of asset ceiling	—	—
Other	33	35
Balance at December 31	**7,615**	**10,599**

Defined benefit obligation
The following tables summarize the components of the defined benefit obligation:

In USD thousands	2022	2021
Defined benefit obligation, beginning of year	**31,763**	**33,402**
Company service cost	907	1,005
Interest cost	278	132
Remeasurements actuarial (gains) or losses arising from:		
Experience	(1,173)	721
Changes in demographic assumptions	103	—
Changes in financial assumptions	(5,484)	(1,900)
Administration expenses paid	(54)	(62)
Taxes paid	(184)	(132)
Plan participants contributions	128	124
Benefits paid by the fund	(239)	(44)
Benefits paid by the employer	(198)	(252)
Past service cost	—	2,129
Curtailment / transfer	—	(788)
Effect of changes in exchange rates	(1,894)	(2,572)
Defined benefit obligation, end of year	**23,953**	**31,763**

The defined benefit obligation has been calculated taking into account the following significant actuarial assumptions:

Assumptions	2022		2021	
	max. %	min. %	max. %	min. %
Discount rate on net liability	3.15 %	3.00 %	1.15 %	1.15 %
Expected general salary increases	10.50 %	2.10 %	6.50 %	1.80 %
Expected individual salary increases	1.50 %	— %	3.30 %	1.80 %
Expected price index increase	2.30 %	2.10 %	1.80 %	1.80 %

	2022	2021
Mortality table - Netherlands	Dutch Actuarial Society (AG)	Dutch Actuarial Society (AG)
	Generation mortality table AG 2020, corrected with experience mortality table ES-P2 (linked to mortality table PT 2010).	Generation mortality table (AG2018), corrected experience mortality table ES-P2 (linked to mortality table PT 2010)
Mortality table - Belgium	MR-5 / FR-5 Standard Belgian mortality tables MR88/90 for males and FR88/90 for females, corrected with minus 5 years	MR-5/FR5 Standard Belgium mortality tables MR88/90 for males and FR88/90 for females corrected with minus 5 years

Plan assets

The following tables summarize the components of the plan assets:

In USD thousands	2022	2021
Plan assets, beginning of year	**21,199**	**22,206**
Employer contributions during the period	1,465	1,254
Plan participant contributions during the period	128	124
Administration expenses paid	(54)	(62)
Taxes paid	(184)	(132)
Benefits paid by the fund	(239)	(44)
Benefits paid by the employer	(198)	(252)
Interest income	192	90
Remeasurement: return on plan assets	(2,877)	(276)
Effect of changes in exchange rates	(1,249)	(1,709)
Plan assets, end of year	**18,183**	**21,199**

The expected pension and termination contributions to the plan for 2023 are estimated to be $1.6 million (2022: $1.4 million).

The plan assets of the pension plan in the Netherlands have been allocated proportionately to each group company based upon the defined benefit obligation.

The investments of plan assets are diversified and differ between the countries. The percentages presented in the table below represent the weighted average percentages of the different asset mixes.

Range of percentage over all pension plans	2022	2021
Equities	7.0 %	15.0 %
Bonds	30.2 %	20.0 %
Guaranteed Investment Contract	62.9 %	65.0 %

As per the beginning of 2017, the Dutch defined benefit plan has been terminated and was replaced by a defined contribution scheme. The accumulated pension entitlements for the participants remain in place and the underlying assets have been transferred to an insurance company. The insurance company guarantees an annual return of 0.5% on the assets and the Company does not have direct influence on the investment policy. Any future shortfall in the plan is to be covered by the employer.
In Belgium, the plan assets have been fully allocated to the defined benefit obligation, since they are arranged in a Guaranteed Investment Contract ('GIC') with an insurance company. The contract is an investment in which the fund manager holds or invests in a single group annuity contract issued directly to the retirement plan. The plan receives a direct guarantee of principal and accrued interest from the insurance company. The contract guarantees a fixed rate of return of, approximately, 3.25% regardless of the performance of the underlying assets, which the insurance company holds in its accounts.

The retirement plan assets are reported at fair value. All assets for the Dutch defined benefit obligation are classified as level 1 within the fair value hierarchy. Level 1 assets include investments in publicly traded equity securities, bonds and cash and cash equivalents. These securities (or the underlying investments of the funds) are actively traded and valued using quoted prices for identical securities from the market exchanges. The investments of plan assets are well diversified and differ between the countries.

For Belgium, a GIC is a stable value fund, which is classified as level 3 within the fair value hierarchy.

Sensitivity analysis

A sensitivity analysis is performed for changes that are realistically possible as at the end of the financial year. A decrease of the discount rate by 0.5% would result in an increased defined benefit obligation by $0.7 million

Unrecognized actuarial result

The following table summarizes the components of the unrecognized actuarial result:

In USD thousands	2022	2021
Return on plan assets (excl. interest income)	2,887	276
Actuarial (gains) and losses arising from:		
Experience	(784)	721
Changes in demographic assumptions	103	—
Changes in financial assumptions	(5,245)	(1,900)
Changes in effect of asset ceiling	1,801	—
Components of defined benefit costs / (income) recorded in other comprehensive income	**(1,238)**	**(903)**

Post employment benefit obligation

Regarding the Company's operations in the United Arab Emirates and others, employees within those legal entities are entitled to a payment upon termination of their employment contracts. This payment is based on the number of years of service provided to their employer and is calculated based on salary earned at the moment of termination.

United Arab Emirates

The related liability has been determined by actuarial calculations using employee specific data such as the average length of service of 8.29 years (2021: 9.54), average salary increase of 3.0% (2021: 3.0%), and a discount rate of 5.2% (2021: 2.6%). The total liability amounts to $3.6 million as at December 31, 2022 (December 31, 2021: $4.2 million). Components of post-employment benefit costs recorded in other comprehensive income amounts to $0.9 million (2021: $0.2 million).

Others

The total other liabilities relating to post employment benefit obligations amounts to $0.4 million as of December 31, 2022 (December 31, 2021: $0.4 million).

22. Other non-current liabilities

In USD thousands	2022	2021
Deferred income	2,891	4,320
Acquisition related contingent consideration	3,387	3,596
Total non-current liabilities	**6,278**	**7,916**

Deferred income
The Group has constructed certain capital assets for which it has been reimbursed by customers. The entities which construct the assets own the assets and title does not transfer to the customer. The related amounts received from customers are recognized as revenues in the consolidated statement of income, generally over the contract period.

Acquisition related contingent consideration
In 2017, the Group acquired a 70% interest in Adriatic Tank Terminal d.o.o., a storage terminal located in Croatia. Under the terms of the purchase agreement, additional consideration is payable when various conditions have been met. The outstanding amount of contingent consideration that VTTI expects to pay in relation to the acquisition is estimated to be $2.7 million (2021: $2.8 million). This has been measured at fair value. The change in value relates to the effect of foreign exchange.

In 2021, the Group acquired a 100% interest in VTTI Bio-Energy Tilburg B.V., a new renewable energy company located in the Netherlands, and started the construction of the new industrial-scale bioenergy facility at the site. Under the terms of the purchase agreement, additional consideration is payable when various conditions have been met. The outstanding amount of contingent consideration that VTTI expects to pay in relation to the acquisition is estimated to be $0.7 million (2021: $0.8 million). This has been measured at fair value. The change in value relates to the effect of foreign exchange.

23. Trade and other payables & other current liabilities

The trade and other payables balance can be further specified as follows:

In USD thousands	2022	2021
Trade payables	23,298	23,585
Related parties	3,111	1,369
Balance at December 31	**26,409**	**24,954**

The other current liabilities balance can be further specified as follows:

In USD thousands	2022	2021
Accrued capital work in progress	5,882	9,385
Accrued personnel costs	29,307	22,293
Deferred income	1,688	2,907
Lease liabilities	20,905	21,514
Other payables	27,411	23,175
Balance at December 31	**85,193**	**79,274**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are usually settled on 30 to 60-day terms;
- Other payables are non-interest bearing and have an average term of three months;
- Interest payable is generally settled semi-annually throughout the year;
- Current portion of the lease liabilities has been determined based on the of the payments due in the next 12 months;
- For terms and conditions with related parties, refer to Note 5. Related party transactions.

24. Tax receivables and payables

The tax receivables balance can be further specified as follows:

In USD thousands	2022	2021
VAT receivables	12,695	13,263
Corporate income tax receivables	3,343	3,623
Other tax receivables	3,318	4,618
Total	**19,356**	**21,504**

The tax payables balance can be further specified as follows:

In USD thousands	2022	2021
Corporate income tax payables	2,926	2,365
Wage tax, social security and pension premiums	3,074	3,117
Other tax payables	4,266	3,600
Total	**10,266**	**9,082**

25. Commitment and contingencies not appearing in the balance sheet

Bank Guarantees

The Group has issued bank guarantees with a total value of $45.5 million in respect of custom duties, taxes and capital expenditure as at December 31, 2022 (2021: $48.2 million).

Capital commitments and other commitments

As at December 31, 2022, future capital commitments amount to $64.6 million (2021: $67.8 million). The other commitments of the Group amount to $11.3 million as December 31, 2022 (2021: $11.6 million).

Legal proceedings, claims / contingent liabilities

From time to time, VTTI and its subsidiaries may become a party to certain claims or legal complaints arising in the ordinary course of business. In the opinion of management, the ultimate resolution of the potential or existing claims and complaints will not have a material adverse effect on our financial position, statements of income or cash flows.

26. Risk and risk management

The Group continuously monitors risks and opportunities through the multiple channels within the organization which includes an active Supervisory and Management Board, regular meetings with key management team members and operational management, structured reporting lines, standard financial and operation reporting, various internal control procedures and a structured process for reviewing investment opportunities. This process and interaction includes discussions of key risks and priorities, risk mitigation and opportunities for both financial and operational issues and financial analysis.
VTTI has developed and introduced various processes and automated systems to support the robustness of its internal operations and procedures. These systems enabled VTTI to standardize many of its financial and operational processes across the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from the Group's receivables from customers, loan receivables with joint ventures and associates and derivative contract arrangements. The maximum exposure to credit risk is represented by the carrying amount of each financial instrument and is disclosed in Note 14. Financial instruments.
The receivables of the Group are generally based on contracts with high quality and credit worthy customers. A significant portion of the Group's revenues are generated from the Vitol group of companies. We believe the Vitol group of companies to be a secure and financially robust customer. Therefore, we believe that the exposure to bad debts regarding the carrying amounts of trade receivables and amounts due from related parties to be limited.

The Group's exposure to the non-current loan receivables due from the joint venture Navgas Ltd. amounts to $29.2 million (2021: $33.3 million). Navgas Ltd has used this amount mainly for financing its capital expenditures. Navgas Ltd became operational in 2010 and has been continuously developing its business which is for LPG storage for the local Nigerian market. Navgas Ltd has been consistently performing with its financial and operational plan during 2022 and continues to do so in 2023. The Group continues to monitor the recoverability of the related receivable.

The non-current loan receivable from the associated company VTS Vasiliko Tugboat Services Ltd ("VTS Tugboat Services") amounts to $10.7 million (2021: $11.3 million) and relates to the financing of the purchase of the tugboats needed for delivering tugboat services to VTTI's customers in Cyprus. The Vasiliko terminal customer activity continues to develop which benefits the VTS Tugboat Services. The Group is continuously monitoring the developing customer activity, other business opportunities for tugboat services and the related financial results of VTS Tugboat Services in order to assess credit risk.

Cash and cash equivalents of the Group are cash generally held at large corporate banks, which are reviewed on an ongoing basis by management who believe the credit risk to be very low or limited.

Financial derivatives agreements of the Group are with high quality corporate banks of which the credit risk is considered to be low.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group funds its activities through cash generated from operations, external borrowings and shareholder loans and equity contributions. Liquidity risks for the Group and its subsidiaries are assessed on an ongoing basis by management to ensure sufficient liquidity is present and available as needed. When necessary, certain activities of the Group's subsidiaries are funded with intercompany loans, equity or local project financing depending on facts and circumstances of the activities or type of investment required. The tables below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

In USD thousands	2023	2024	2025 and thereafter
Interest bearing loans:			
VTTI Finance B.V. Shareholder Revolving Credit Facility 2020	75,000	—	—
VTTI B.V. 2015, 2017 & 2020 Senior Unsecured Notes	—	189,594	632,017
South Africa Credit Facility	5,314	6,495	11,629
Pakistan Credit Facility	16,678	—	—
VTTI Holdings China Credit Facility	—	—	45,000
Other third party loan	—	—	—
Bank overdrafts	77,744	—	—
Other financial liabilities:			
Trade and other payables	26,409	—	—
Tax payables	10,266	—	—
Other current liabilities	64,288	—	—
Balance at December 31, 2022	**275,699**	**196,089**	**688,646**

In USD thousands	2022	2023	2024 and thereafter
Interest bearing loans:			
VTTI Finance B.V. Shareholder Revolving Credit Facility 2020	—	—	—
VTTI B.V. 2015, 2017 & 2020 Senior Unsecured Notes	131,624	—	806,029
South Africa Credit Facility	4,626	5,678	19,364
Pakistan Credit Facility	21,284	—	—
VTTI Holdings China Credit Facility	—	45,000	—
Other third party loans	—	—	—
Bank overdrafts	55,385	—	—
Other financial liabilities:			
Trade and other payables	24,954	—	—
Tax payables	9,082	—	—
Other current liabilities	57,760	—	—
Balance at December 31, 2021	**304,715**	**50,678**	**825,393**

Interest rate risk

The Group has loans outstanding through its credit facilities against variable rates of interest, which is payable based on benchmarks such as EURIBOR or other local country benchmarks plus a margin. Interest rate swaps have been entered into manage these interest rate risks. Refer to Note 14. Financial instruments for further details.

A change of 100 basis points in interest rates constantly applied during the reporting period would have increased (decreased) equity and profit or loss before tax by the amounts shown below. This sensitivity analysis assumes that all other variables, in particular foreign currency rates, remain constant. The sensitivity analysis does not take into consideration that a part of the variance will have an impact on the borrowing costs to be capitalized, which has no impact on equity and net result.

In USD thousands	2022	2021
Effect on profit before taxes		
Increase of interest rate by 100 basis points	(225)	(287)
Decrease of interest rate by 100 basis points	225	287

Foreign currency risk

The Group is exposed to foreign currency translation risk, mainly resulting from the conversion of the Group's results and balance sheet items from the respective functional currency of the VTTI entities into the US Dollar presentation currency. The primary exposure is from the Euro.

A 10% strengthening of the Euro against the US Dollar would have increased (decreased) the Group's equity and operating profit by the amounts shown below. This sensitivity analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity		Operating profit	
In USD thousands	2022	2021	2022	2021
EUR	64,586	67,019	2,627	1,905

A 10% weakening of the Euro against the US Dollar as at December 31, 2022 would have had the equal but opposite effect on the basis that all other variables remain constant.
Additionally a transactional translation risk arises on sales, purchases, receivables, payables and borrowings that are denominated in currencies other than the respective functional currencies of the VTTI entities.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a stable consolidated statement of financial position within the boundaries of its lending covenants in order to support its existing business, execute its growth strategy whilst maximizing shareholder value.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 14. Financial instruments, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves, retained earnings and non-controlling interests.

The Group monitors the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group's leverage can be impacted temporarily due to acquisitions and investments as well as foreign exchange rates.

27. Impairment

As at December 31, 2022, the Group reviewed the carrying value of the assets and identified indicators of an impairment at an asset in the ARA region. The trigger was based on increased market interest rates and operational performance. For this asset the Group reviewed the storage and related supporting infrastructure based on the Fair-Value-Less-Costs-of-Disposal application and subsequently concluded that no impairment was required.

In order to conduct this review the company used the approved business plans. Furthermore, the company has developed business improvement initiatives per terminal to maximise value from its existing asset base. This includes optimization of the existing terminal base (e.g., pricing, offering and monetising additional services, cost reduction) and development of brownfield projects at its terminals (e.g., building additional tank capacity on site, tank conversion and refurbishment). Next to this, the company is focused on developing its presence in the international LNG regasification market, and creating New Energies infrastructure for H2 derivatives and CO2 midstream storage, and accelerating growth in Renewable Gas and Waste-to-Fuels. Management has committed to these initiatives and is confident that these initiatives will be delivered. These initiatives are an integral part of the business plan cycle and have been appropriately risked.

The outcomes of the impairment test have been tested for robustness by performing a sensitivity analysis. A sensitivity was performed on a +1% increase of the WACC. Furthermore, risking of scenarios of the aforementioned business improvement initiatives has been reviewed. To reflect the impact of the Energy Transition, cash flows after 2050 have been curtailed to reflect the possible impact of the Paris 2050 Agreements. Finally, various EBITDA multiple scenarios weer reviewed against the recoverable value. The sensitivity analysis showed, on a ceterus paribus, that if some of the tested scenarios materialise, some cash generating units may face an impairment.

The Group has tested total assets, including goodwill, tangible fixed assets and right of use assets amounting to USD 1.7 billion compared to the Group's balance sheet total of USD 2.9 billion. During 2022 no assets have been impaired. It is however noted that if some of the identified sensitivity scenarios materialize a future impairment might be appropriate.

Impairments recognized in 2021

As at December 31, 2021, the Group reviewed the carrying value of the assets and identified indicators of an impairment at Antwerp Refinery BVBA due to the termination of a contract with a customer. Based on the assessment, an impairment charge of $22.9 million for the related assets and supporting infrastructure has been recognized in the Consolidated statement of comprehensive income.

Following the above, the Group reviewed the remaining storage and related supporting infrastructure of the Antwerp operations as well (ATPC CGU) and no further impairment was noted. For the purpose of the fair value calculation, the projections are based on management's forecast, including revenues, operating expenses and sustaining capital expenditures. Utilization rates and revenues are based on existing customer contracts where applicable and management's estimate of market rates. Operating expenses and capital expenditures are based on forecasts and expected development over time including inflation. The pre-tax discount rate is 5.5% and is based on risk-free government bond rates and adjusted for market and company specific risks. Long-term growth rates take into account estimated inflation, growth and risk free rate of 0.2%. The assumptions referred to above are those identified by management as being key based on their impact on the determination of recoverable amount. These assumptions are based on information available at the time to management. Changes in one or more of these assumptions could result in a value which is lower than the carrying amount and therefore an impairment in future periods. A nominal change in the discount rate of 0.5% would result in a value lower than the carrying value for the ATPC CGU.

28. Subsequent events

There were no material events subsequent to December 31, 2022.

Company financial statements

Company statement of income

For the year ended December 31, 2022

In USD thousands	Notes	2022	2021
Result from investments	*4*	67,405	42,273
Corporate result after income taxes		(49,737)	(36,220)
Net result for the year		**17,668**	**6,053**

Company statement of financial position

As at December 31, 2022
(after result appropriation)

In USD thousands	Notes	2022		2021	
Non-current assets					
Deferred tax assets	*3*	2,307		1,596	
Investments	*4*	1,393,964		1,490,164	
Loans receivable	*5*	432,913		449,920	
Total non-current assets			**1,829,184**		**1,941,680**
Current assets					
Trade and other receivables	*6*	56,605		40,347	
Derivative financial instruments		—		—	
Tax receivables	*3*	124		1,922	
Cash and cash equivalents	*7*	132,333		34,670	
Total current assets			**189,062**		**76,939**
Total assets			**2,018,246**		**2,018,619**
Equity					
Share capital	*8*	66		66	
Share premium	*8*	1,593,610		1,543,070	
Foreign currency translation reserve	*8*	(24,703)		9,409	
Other reserves	*8*	27,109		28,085	
Retained earnings	*8*	(573,853)		(592,839)	
Shareholders			**1,022,229**		**987,791**
Non-current liabilities					
Provisions		—		1,673	
Interest bearing debt	*9*	892,638		800,940	
Total non-current liabilities			**892,638**		**802,613**
Current liabilities					
Bank overdrafts	*7*	65,073		47,735	
Current portion interest bearing debt	*9*	—		131,624	
Trade and other payables	*10*	29,631		42,497	
Tax payables	*3*	—		—	
Other liabilities and accrued charges	*11*	8,675		6,359	
Total current liabilities			**103,379**		**228,215**
Total equity and liabilities			**2,018,246**		**2,018,619**

Notes to the company financial statements

1. GENERAL

VTTI B.V. (the "Company" or "VTTI") is a private limited liability company incorporated and domiciled in the Netherlands. The registered business office of the Company is Fascinatio Boulevard 208, 3065 WB Rotterdam, The Netherlands.

The principal business activities of VTTI and its subsidiaries are to own, operate, develop, and acquire refined petroleum product, crude oil, gas, and chemical terminaling and related energy and storage infrastructure assets on a global scale.

The company financial statements comprise the financial statements of VTTI. All financial data in the company financial statements is expressed in thousands of US Dollars, unless otherwise indicated. The Company presents a condensed statement of income, using the facility of Article 402 of Part 9, Book 2 of the Dutch Civil Code.

2. ACCOUNTING POLICIES

The company financial statements of VTTI have been prepared in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. In the company financial statements, VTTI refers to the stand-alone legal entity. The accounting policies are the same as those used for the consolidated financial statements, in accordance with the provisions of Article 2:362, 8 of the Dutch Civil Code, except for investments in subsidiaries which are carried at net asset value.

Investments

In the company financial statements, investments in subsidiaries are stated at net asset value. In case the net asset value is negative, a provision is accounted for as the maximum of either: (i) outstanding receivables or (ii) the amount of any legal or constructive obligation for the Company.

3. TAX

Dutch tax fiscal unity

As of January 1, 2020 the former VTTI B.V. fiscal unity merged into a new fiscal unity headed by the Company's direct shareholder VTTI Finance B.V. The fiscal unity includes substantially all Dutch entities of the VTTI Group, including our terminals in Amsterdam and Rotterdam. All entities in the fiscal unity can be held liable for the corporate income taxes due by the fiscal unity.

Deferred tax

Deferred tax balances of the Company are related to temporary differences between book values and tax bases, mainly in relation to financial instruments and provisions. The net balance is presented in the balance sheet since future settlement is expected to occur on a net basis.

Tax receivables

The tax receivables balance can be further specified as follows:

In USD thousands	2022	2021
Corporate income tax receivables/(payable)	124	1,922
Balance at December 31	**124**	**1,922**

4. INVESTMENTS

The movements in investments in subsidiaries during the year are as follows:

In USD thousands	2022	2021
Balance at January 1	**1,490,164**	**1,216,945**
Net contributions	20,283	273,080
Share in result for the year	67,405	42,273
Dividends received in cash	(164,137)	(6,252)
Dividends paid	5,174	—
Share in other equity movements	1,013	(1,736)
Effect of movements in exchange rates	(25,937)	(34,146)
Balance at December 31	**1,393,965**	**1,490,164**

5. LOANS RECEIVABLE

In USD thousands	2022	2021
Loans to subsidiaries	389,277	405,314
Loans to associates and joint ventures	43,636	44,606
Balance at December 31	**432,913**	**449,920**

6. TRADE AND OTHER RECEIVABLES

In USD thousands	2022	2021
Accounts receivable from group companies	56,605	40,347
Balance at December 31	**56,605**	**40,347**

Accounts receivable from group companies is mainly comprised of working capital facilities on which no interest is charged.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to $132.3 million (2021: $34.7 million). All cash and cash equivalents are freely available to the Company.

8. SHAREHOLDERS' EQUITY

In USD thousands	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Shareholders' equity
Balance January 1, 2022	**66**	**1,543,070**	**9,409**	**28,085**	**(592,839)**	**987,791**
Result for the year	—	—	—	—	17,668	**17,668**
Translation differences	—	—	(34,112)	—	—	**(34,112)**
Items recognized directly in equity	—	—		(976)	3,118	**2,142**
Dividends paid in cash	—	(3,374)	—	—	(1,800)	**(5,174)**
Capital contributions from owners	—	53,914	—	—	—	**53,914**
Balance at December 31, 2022	**66**	**1,593,610**	**(24,703)**	**27,109**	**(573,853)**	**1,022,229**
Balance January 1, 2021	**66**	**1,549,906**	**43,554**	**25,567**	**(595,973)**	**1,023,120**
Result for the year	—	—	—	—	6,053	**6,053**
Translation differences	—	—	(34,145)	—	—	**(34,145)**
Items recognized directly in equity	—	—	—	2,518	(2,919)	**(401)**
Dividends paid in cash	—	(6,836)	—	—		**(6,836)**
Capital contributions from owners	—	—	—	—	—	—
Balance at December 31, 2021	**66**	**1,543,070**	**9,409**	**28,085**	**(592,839)**	**987,791**

Refer to Note 19. Equity of the consolidated financial statements for further details on the various components of equity.

The authorized share capital of VTTI B.V. amounts to €250,000 and its issued and fully paid-up share capital is €50,000.

Foreign currency translation reserve

The foreign currency translation reserve is qualified under Dutch law requirements as a legal reserve and cannot be distributed freely to the shareholder. The foreign currency translation reserve is used to record exchange rate differences arising from the translation of the financial statements of foreign subsidiaries into the Company's functional and reporting currency.

Refer to Note 19. Equity of the consolidated financial statements for further details relating to equity.

9. INTEREST BEARING DEBT

The interest bearing debt is as follows:

In USD thousands	2022	2021
Non-current interest bearing loans:		
VTTI Finance B.V. Shareholder Revolving Credit Facility 2020	75,000	—
VTTI B.V. 2015 Senior Unsecured Notes	308,658	448,868
VTTI B.V. 2017 Senior Unsecured Notes	475,453	488,785
VTTI B.V. 2020 Fixed Rate Notes	37,500	—
Total interest bearing loans	**896,611**	**937,653**
Debt issuance costs	(3,973)	(5,089)
Less current portion	—	(131,624)
Balance at December 31	**892,638**	**800,940**

Refer to Note 14. Financial instruments of the consolidated financial statements for further details.

10. TRADE AND OTHER PAYABLES

In USD thousands	2022	2021
Payables to subsidiaries	29,023	42,497
Payables to 3rd parties	608	—
Balance at December 31	**29,631**	**42,497**

11. OTHER LIABILITIES AND ACCRUED CHARGES

Other liabilities and accrued charges include interest accrued on interest bearing debt as well as accrued general and administrative charges.

12. COMMITMENTS AND CONTINGENCIES NOT APPEARING IN THE BALANCE SHEET

Refer to Note 25. Commitments and contingencies not appearing in the balance sheet of the consolidated financial statements for an overview of the bank guarantees. In addition to those, the Company has provided guarantees on behalf of subsidiaries amounting to $45.5 million as at December 31, 2022. The Company has filed joint and several liability undertakings (403 statements) for a number of its Dutch holding companies.

13. RELATED PARTIES

Related parties

In its normal course of business, VTTI generally finances its interests in subsidiaries and joint ventures through borrowings and from dividend income from its subsidiaries. Transactions are on an arm's length basis.

Outstanding balances at year-end are unsecured, partly interest free and are intended to be settled in the ordinary course of business. No guarantees have been provided or received for any related party receivables or payables.

Refer to Note 5. Loans receivable and Note 6. Trade and other receivables for further details on transactions and balances with related parties.

Transactions with key management personnel

Refer to Note 5. Related party transactions of the consolidated financial statements for further details.

14. RISK AND RISK MANAGEMENT

Risks and risk management of the Company is similar to the Group. Refer to Note 26. Risk and risk management of the consolidated financial statements for further details. Liquidity, interest and currency risks for VTTI B.V. are included below.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. VTTI B.V. funds the activities of its subsidiaries through a combination of equity and loans. Management assesses the liquidity risk of the Company as remote. The tables below summarize the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

In USD thousands	2023	2024	2025 and thereafter
Interest bearing loans:			
VTTI Finance B.V. Shareholder Revolving Credit Facility 2020	—	—	75,000
VTTI B.V. 2015, 2017 & 2020 Senior Unsecured Notes	—	189,594	632,017
Loans from subsidiaries	—	—	—
Bank overdrafts	65,073	—	—
Other financial liabilities:			
Trade and other payables	29,631	—	—
Other liabilities and accrued charges	8,675	—	—
Balance at December 31, 2022	**103,379**	**189,594**	**707,017**

In USD thousands	2022	2023	2024 and thereafter
Interest bearing loans:			
VTTI Finance B.V. Shareholder Revolving Credit Facility 2019	—	—	75,400
VTTI B.V. 2015, 2017 & 2020 Senior Unsecured Notes	—	136,355	837,397
Other financial liabilities:			
Trade and other payables	930	—	—
Other liabilities and accrued charges	6,066	—	—
Balance at December 31, 2021	**6,996**	**136,355**	**912,797**

Interest rate risk

The Company funds the activities of its subsidiaries through a combination of equity and loans and has external funding from financial institutions based on an interest rate payable in EURIBOR or LIBOR plus a margin, as well as fixed interest rates.

An interest rate sensitivity analysis is included in Note 26. Risk and risk management of the consolidated financial statements.

Foreign currency risk

The Company is exposed to foreign currency risk on investments that are denominated in currencies other than the respective functional currencies of VTTI and its subsidiaries and joint ventures. The main currency that gives rise to this risk is the US Dollar (within non-US Dollar functional currency environments). The exposures are not hedged.

Additionally a translation risk arises from the conversion of the results and balance sheet items from the respective functional currency of the VTTI entities into the US Dollar presentation currency.

A sensitivity analysis is included in Note 26. Risk and risk management of the consolidated financial statements.

15. EMPLOYEE BENEFITS

In 2022 the Company had $3.6m (2021: $3.6m) personnel expenses related to the global long term incentive plan for key personnel of the VTTI Group.

During the 2022 financial year, the average number of staff employed by the Company, converted into full-time equivalents, amounted to 0 (2021: 0), of which 0 (2021: 0) were employed outside the Netherlands.

16. REMUNERATION OF THE BOARD OF DIRECTORS

Refer to Note 5. Related party transactions of the consolidated financial statements for details on the remuneration of the Group's Board of Directors, as required by Article 2:283 of the Dutch Civil Code.

17. REMUNERATION OF THE SUPERVISORY BOARD OF DIRECTORS

Refer to Note 5. Related party transactions of the consolidated financial statements for details on remuneration of the Supervisory Board of Members.

18. REMUNERATION OF THE AUDITOR

The following fees were charged by the audit firm Ernst & Young Accountants LLP, the Netherlands, to the Company and its subsidiaries, as referred to in the Book 2, Section 382a of the Dutch Civil Code.

In USD thousands	2022	2021
Audit fees	1,037	1,155
Non-audit fees	—	33
Total auditor's remuneration	**1,037**	**1,188**

The audit fees included in the table above relate to the total fees for the audit of the VTTI Group and its subsidiaries financial statements for the year 2022 (2021), irrespective of whether the activities have been performed during the financial year 2022 (2021). Non-audit fees are related to tax and other advisory services.

Board of Directors
Rotterdam, May 30, 2023

Mr. G.J.J. Moeyens
Mr. J.F. van Geloven
Ms. W.J. Guépin
Mr. J.L. Garcia Galera

Supervisory Board
Rotterdam, May 30, 2023

Mr. Christopher Paul Bake
Mr. Mark Kwok Fei Chung
Mr. Teh Wei Sun
Ms. Yihong Zhu
Mr. Ahmed Omar Abdulla Balfaqeeh

19. APPROPRIATION OF NET RESULT

Appropriation of net result according to the Articles of Association

Article 21
21.1. The General Meeting allocates the profits determined by the adoption of the annual accounts, determines how a shortfall will be accounted for, and declares interim distributions from the profits or distributions from the reserves. Profits or reserves may only be distributed to the extent that the Company's equity exceeds the total amount of the reserves referred to in article 2:216 paragraph 1 DCC. A resolution to distribute profits or reserves is subject to the management board's approval. The management board may only withhold its approval if it knows or should reasonably expect that the Company will be unable to continue paying its due debts after the distribution. If at the time when the profits are allocated, no resolution is adopted on the distribution or addition to the reserves of these profits, the profits will be added to the reserves.

21.2. Shares held by the Company in its own share capital or for which depositary receipts have been issued that are held by the Company are not taken into account in determining how the amount to be distributed on shares is to be divided. These shares are, however, taken into account if they are subject to a right of usufruct, a right of pledge or if depositary receipts have been issued for these shares entitling the holder of that right or those depositary receipts to the distribution.

21.3. Only the amount of the mandatory payments on the nominal value of the shares is taken into account in determining the amount to be distributed on each share. The preceding sentence may be deviated from with the consent of all shareholders.

21.4. Distributions are due four weeks after they have been declared, unless the General Meeting sets a different date at the management board's proposal.

21.5. The General Meeting may resolve that distributions will be fully or partly made other than in cash.

Appropriation of net result

It is proposed by the directors to add the net result for the year to retained earnings and to not distribute further dividends to the shareholder in addition to the amounts already paid during the year 2022 as reflected in the annual report.

20. SUBSEQUENT EVENTS

Refer to Note 28. Subsequent events of the consolidated financial statements for details.

21. INDEPENDENT AUDITOR'S REPORT

The Independent Auditor's report can be found on page 14.

22. CONTACT INFORMATION

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3065 WB Rotterdam

P.O. Box 44069
3065 WB Rotterdam
The Netherlands

Telephone: +31 (0)10 49 87 351

DISCLAIMER

This document contains statements of a retrospective and forward-looking nature and is prepared in compliance with the International Financial Reporting Standards (IFRS) as endorsed by the EU. Management acknowledges its responsibility to give a true and fair presentation within the context of Dutch law and regulation related to Annual Reports and IFRS, but it is the responsibility of the reader to use the information contained in this document for its intended use. The Company does not accept or assume responsibility or liability for misuse of the information contained in this document and any such responsibility or liability is expressly disclaimed.

Statements in this document of a forward looking nature are based on currently available plans and forecasts. Given the changing dynamics of the markets and environments in which VTTI renders services, the company cannot guarantee the accuracy and completeness of such forward looking statements. Unforeseen circumstances include, but are not limited to, unexpected economic, political, foreign exchange and interest rate developments and possible changes to IFRS reporting rules. Statements of a forward-looking nature issued by the company must always be assessed in the context of events, risks and uncertainties of the markets and environments in which we operate. These factors could lead to actual results being materially different from those expressed or implied by these forward-looking statements.

The forward looking statements reflect the knowledge and information available at the date of preparation of this Annual Report, and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.