

Annual Report

2024

PL ESG Denmark Co ApS

Egeskovvej 265

DK-7000 Fredericia

CVR no: 41 94 65 63

The Annual Report was presented and
adopted at the Annual General Meeting of
PL ESG Denmark Co ApS on

16 May 2025

Ruchir Ashok Kadakia
Chairman

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of PL ESG Denmark Co ApS for the financial year 1 January – 31 December 2024.

The Annual Report has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In my opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position on 31 December 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 1 January - 31 December 2024.

In my opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Fredericia, 16 May 2025

Executive Board

Ruchir Ashok Kadakia

Independent Auditor's Report

To the Shareholder of PL ESG Denmark Co ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of PL ESG Denmark Co ApS for the financial year 1 January - 31 December 2024, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for both the Group and the Parent Company ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Hellerup, 16 May 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

Kristian Pedersen

State Authorised Public Accountant

mne35412

Company information

The Company PLESG Denmark Co ApS
Egeskovvej 265
DK-7000
Fredericia

CVR no: 41 94 65 63
Financial period: 1 January - 31 December
Fourth financial year

Executive board Ruchir Ashok Kadakia

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights for the group

Key figures

USD Millions

	2024	2023	2022	2020/21
Revenue	2,201.5	2,802.9	3,402.8	1,123.7
Operating profit/loss	(4.5)	98.8	182.1	19.8
Net financial items	(34.4)	(44.9)	(52.0)	(33.7)
Profit before tax	(38.9)	53.9	130.1	66.1
Net profit/loss for the year	(32.1)	32.1	145.5	67.0
Proposed dividend for the year	0.0	0.0	0.0	0.0
Current assets	300.3	436.9	405.8	413.3
Total assets	511.7	592.0	556.5	531.3
Equity	158.6	263.7	221.6	82.4
Current liabilities	353.1	328.3	334.8	448.8
Wages and salaries	43.9	38.4	36.7	16.0
Investments in property, plant and equipment	77.8	50.1	27.2	14.9
Distribution and administration cost	28.9	28.1	28.3	9.9
Employees				
Average number of employees	291	271	254	243
Ratios				
Percent				
Return on assets	(1)	17	33	4
Liquidity ratio	85	133	121	92

Please refer to accounting policies for terms and conditions.

The key figures have been prepared in accordance with IFRS.

Management's Review

PL ESG Denmark Co ApS ("Company") was established in December 2020 as the legal acquiror of Crossbridge Energy A/S ("Crossbridge") and serves as the Parent company of Crossbridge (collectively, the "Group"). The Group's primary business activities are conducted by Crossbridge and its employees, with only nominal transaction costs recorded in the Company. The Company is a wholly owned subsidiary of ESG Energy Partners, LLC, whose head office is based in the United States. The core business activity for the Group is downstream refining and connected sale of refined products with operations located in Fredericia, Denmark, and supply activities located in Copenhagen, Denmark.

Market Development

The International Oil Market in 2024

In 2024, the global oil market experienced notable shifts influenced by evolving demand patterns, supply adjustments, and geopolitical developments. The European refining industry, in particular, faced challenges and opportunities as it navigated these changes.

Global oil demand continues to rise, with worldwide crude oil consumption reaching 102.8 million barrels per day (mb/d) in 2024, up from 101.7 mb/d in 2023, according to the International Energy Agency (IEA). Demand is projected to grow further in 2025, pushing global consumption to 104 mb/d.

India has emerged as the primary driver of global oil consumption growth in 2024 and expected consumption in 2025, accounting for 25% of the total increase. This growth has been fueled by rising demand for transportation fuels and household cooking fuels. Meanwhile, China's oil demand continues to grow, albeit at a slower pace due to the rapid expansion of electric vehicle ownership, increased use of liquefied natural gas for trucking, a declining population, and slowing economic growth—all of which have tempered demand for transportation fuels. However, much of China's oil consumption growth is now driven by rising demand for petrochemical manufacturing. In contrast, oil demand in OECD countries is expected to remain flat through 2025.

On the supply side, non-OPEC+ producers are expected to add another 1.5 mb/d of supply in 2025, matching the increase seen in 2024. The U.S., Brazil, Guyana, Canada, and Argentina are leading this expansion. OPEC+ members have also been considering rolling back voluntary production cuts and could ramp up output if needed. Meanwhile, recently announced, more expansive U.S. sanctions on Russia may impact global oil supply flows. The U.S. has targeted two major Russian oil producers—Gazprom Neft and Surgutneftegaz—along with over 160 tankers carrying oil for Russia, Iran, and Venezuela, as well as ship insurance providers, further complicating oil trade logistics for these countries.

The European refining sector continued to adapt to the European Union's ban on Russian oil and petroleum products, first implemented in early 2023. This policy shift compelled European refiners to diversify their crude sources, increasing imports from regions such as the Middle East, Africa, and the Americas. While this diversification ensured operational continuity, it also introduced challenges related to feedstock quality and higher logistics costs.

Refining margins in Europe were notably weaker in 2024 compared to the elevated levels observed during 2022 and early 2023. Lower margins were driven by a combination of slower regional demand growth, ample global product inventories, and increased competition from new refiners in the Middle East, India, Africa, and Asia. Imported refined product into Europe, particularly diesel, put downward pressure on crack spreads (differential between the price of crude oil and petroleum products extracted from it) in the second half of 2024. While unplanned outages in Europe and the U.S. provided occasional support to margins, these effects were short-lived and insufficient to sustain the higher profitability levels that were observed in recent prior years.

Dated Brent crude oil prices saw relative stable pricing in 2024, with prices averaging around \$80 per barrel and fluctuating within a narrow range of \$68 to \$93 per barrel, the tightest range since 2019.

During 2024, the US dollar (USD) to Danish krone (DKK) exchange rate ranged from 6.66 to 7.13, with an average of 6.89 for the year.

Management's Review (continued)

The Refinery

The Fredericia Refinery ("the Refinery") processed 2.7 million tonnes of crude for 2024 (crude intake in 2023 was 3.0 million tonnes). Crude intake decreased mainly due to a planned maintenance stop in autumn of 2024. The Refinery continues to expand its basket of processed crudes, with imported crudes increasing from 39% of the total crude slate in 2023 to 45% in 2024. Meanwhile, Danish Underground Consortium (DUC) crude has decreased from 61% of the total slate in 2023 to 55% in 2024.

Crossbridge faced challenges in 2024. Especially in the second half of the year, several units in the Refinery had reached the end of their operational cycle since the last turnaround in March 2022, resulting in reduced throughput and reliability. The turnaround event, scheduled for September 2024, was originally planned for four weeks but required an additional two weeks to complete. Coming out of the turnaround, the Refinery struggled to achieve full throughput and optimal yields until early December 2024. Consequently, full-year profitability was significantly impacted by the combination of a weaker margin environment, turnaround costs and time overruns, and missed opportunities relative to forecasts.

Taxation, etc.

The tax in the income statement is based on the result of the year. This includes adjustment of deferred tax. See note 8 and 9 for further tax information.

Employees

The Group had 307 employees (48 women and 259 men) as of 31 December 2024 compared to 281 employees (44 women and 237 men) as of 31 December 2023.

The Group provides employees with a wide range of personal and professional development opportunities in a dynamic and inclusive work environment. The performance bonus scheme not only rewards financial results, but also considers HSSE (Health, Safety, Security and Environmental) performance and production results.

Employee communication and involvement

Two-way dialogue between management and staff is essential and embedded in the Group's work practices. We utilize an engagement survey as one of the principal tools to measure employee engagement. The latest results reflected a strong sense of satisfaction, particularly the employees' collaboration with their immediate managers and their belief that they create valuable work. Additionally, the results were more positive compared to the industry benchmark.

Based on feedback from previous surveys, we have implemented several improvement initiatives to continuously enhance employees' engagement. In 2025, a group-wide engagement survey will be conducted again to assess our progress. Furthermore, the survey process provides valuable insights into employees' views and has consistently achieved a high response rate.

Regular assessments of leadership and employee satisfaction are also conducted, and a leadership program has been implemented for leaders of all levels.

Corporate Social Responsibility

The Group's work with CSRD and ESG reporting continued in 2024. Risk and opportunities have been assessed and identified, and ESG data collection was initiated. On 26 February 2025, the European Commission published the "Omnibus" proposal. If adopted, the Group is no longer within the scope of CSRD and ESG requirements. A decision regarding the future of CSRD and ESG will be made once the proposal is approved.

The Group currently prepares additional reports to comply with legislation on occupational health and safety, working conditions, human rights, anti-corruption legislation, and environmental requirements.

Management's Review (continued)

We are committed to operating safely, reliably and in compliance with legal and ethical standards while acting as a fair and equitable partner for all our stakeholders - our employees, customers, suppliers, and the communities in which we operate.

The Group's core values were reassessed in 2024, with a continued focus on delivering these commitments. One of the values are Responsibility:

“Accountability is the foundation of our actions. We value transparency, keep our promises, and act with high ethical standards.”

The Group's business model is described in the Management review, p.9.

Green transition

The Group supplies approximately 35% of Denmark's demand for liquid fuels, and as long as this demand exists, we intend to meet it. While continuing to serve our customers, we are also committed to contributing to the energy transition.

Our ambitions within the green transition are built on a three-pronged approach: (i) improving energy efficiency across the organization, (ii) reducing energy usage and CO₂ emissions within our manufacturing units and processes, and (iii) ultimately decarbonizing our produced products. This approach addresses the pressing challenges of climate change and while promoting sustainable development.

Improving energy efficiency involves optimizing energy use and minimizing waste to reduce overall consumption and greenhouse gas emissions. In addition to efficiency improvements, we are actively working to reduce absolute energy consumption within our operations.

Decarbonization is the ultimate goal of the green transition, requiring a shift from fossil fuels to renewable energy sources that significantly reduce or eliminate CO₂ emissions. To progress towards this goal, we are exploring various CO₂-reducing projects, such as co-processing. While these projects have been scoped, securing capital for large-scale investments remains a challenge, as the Company must also allocate significant resources to maintaining safe and reliable refinery operations.

By pursuing the three-pronged approach energy efficiency, energy reduction, and decarbonization. We aim to operate a greener facility to produce sustainable products.

Social and staff matters

The human at Crossbridge

We value our employees and strive to be recognized as one of the best workplaces in Denmark. At Fredericia, one of our most important responsibilities is ensuring job security for the future.

The Group's ability to continue to attract and retain qualified employees is a key area of focus. We must stay aware of, and proactively respond to, the changing views towards fossil fuel-based companies. In addition, working at a refinery involves risks due to high temperatures and pressures. These risks are mitigated by our safety rules, training and planning which identify and prevent incidents.

Health, Safety, Security and Environment (HSSE)

Related to HSSE, the Group is committed to Goal Zero: no harm and no leaks. In cooperation with the employees, each manager is responsible for complying with the agreed safety standards.

HSSE

During 2024, the HSSE Recovery Plan was executed as planned. In compliance with that plan, we reached our planned targets for most of our initiatives, while several will continue into 2025.

Significant progress has been made on the implementation of a new Management System, which is set to launch in 2025. This system will support the HSSE organization and the way we are managing risks, recording incident data, and developing frameworks.

Management's Review (continued)

2024 Health & Safety Year-End Summary

Lost Time Incidents (LTI)

The total number of LTI in 2024 was 2, a reduction from 5 LTIs recorded in 2023. Notably, all of the 2023 and 2024 involved external contractors. Moving forward, we remain committed to achieving Goal Zero.

Total Recordable Case Frequency (TRCF), on a 12-month rolling average, and Total Recordable Incident Rate (TRIR) are two measures we utilize to understand HSSE trends. In 2024, the Q4 TRCF decreased to 2.0 from 7.5 in 2023 and the TRIR decreased to 0.4 in 2024 compared to 1.5 in 2023. Both indicators reflect positive progress in our HSSE performance.

When comparing the incident rates between employees of the Group and external contractors, a gap still exists, although contractor incident rates are improving. In both 2023 and 2024, the TRCF was 0 for Crossbridge employees, while the external contractor TRCF was 3.2 in 2024 and 12.6 in 2023. To achieve Goal Zero, we will focus on the safety performance of our contractors.

These improved HSSE statistics indicate positive trends and our commitment to health and safety within the organization, especially within a year that included potential high-risk events, such as the turnaround. Initiatives such as the Joint Contractor Safety Program played a pivotal role in fostering collaboration and accountability among contractors and Crossbridge employees.

HSSE is a process of continuous improvement. Through consistent efforts, enhanced collaboration, and a strong safety culture, 2024 concluded on a positive note, setting a solid foundation for continued safety excellence in 2025.

Process Safety

Process safety incidents:

2024 brought a mix of challenges and achievements in process safety, highlighting the importance of vigilance, collaboration, and continuous improvement.

In terms of recordable process safety events, negative trends were observed. Two release incidents were recorded in 2024, compared to none in 2023. Additionally, 11 Loss of Primary Containment (LOPC) events exceeding 100 kg occurred, a sharp increase from just one in 2023. As a result, the rolling process safety incident rate rose to 0.4, up from 0 in the previous year. The Group takes these incidents, and its response to them, very seriously.

Despite these challenges, significant progress was made in reducing HAZOP (Hazard and Operability) backlogs and completing studies for critical units and upgrades. High Criticality Action Items (HCAs) were identified and implemented, with many requiring only minor modifications.

Notably, our ongoing collaboration with Fredericia Kommune and the Risk Authorities remains focused on societal risk assessments and updates to the Quantitative Risk Analysis (QRA) to finalize the Risk Report.

Environment and climate conditions

The energy industry is becoming more aware of its impact on the climate and its potential role in the energy transition. In the coming years, Crossbridge intends to balance (i) continuing to supply and meet the fuel demands of Denmark and (ii) investing in projects to operate the Refinery in a sustainable way. We believe both goals can be achieved.

The Refinery has investigated the feasibility of co-processing a combination of green hydrogen and fossil fuels to meet the Renewable Fuels of Non-Biological Origin (RFNBO) standards. This process was pre-approved by the Danish Energy Agency through the International Sustainability and Carbon Certification (ISCC) before final approval from the EU Commission.

Our strategic cooperation with Everfuel, which is building a green hydrogen plant adjacent to the refinery, was delayed due to construction issues. As a result, no green hydrogen was produced in 2024. However, in February

Management's Review (continued)

2025, Everfuel successfully produced and delivered its first stream of green hydrogen to the Refinery. The Group is now evaluating how best to technically and commercially utilize this new input. In 2024 the Refinery was certified under the EFO framework, an energy efficiency scheme for surplus heat, for its delivery of district heating.

The Group finalized its submission for the renewal of its environmental permit in accordance with the EU-mandated Best Available Technique Reference Document (BREF). However, the final permit was appealed by several parties. The appeal authority returned the permit, and it is expected to be revised by the Environmental Protection Agency (EPA) in 2025.

Environmental non-compliances increased in 2024 compared to 2023, primarily due to short-term upsets in certain refinery units. Most emission incidents were linked to reliability issues experienced before the turnaround.

Additionally, in 2024, there were four verified complaints related to noise and odors from refinery operations and six complaints regarding harbor noise. By comparison, in 2023, there were eight verified complaints related to the Refinery and one regarding harbor noise.

Human rights and corruption

Human rights

We respect the fundamental rights of individuals and are committed to fairness and non-discrimination. We comply with applicable laws and regulations, including the United Nations Universal Declaration of Human Rights and the core conventions of the International Labor Organization. Our suppliers are required to uphold the same standards. All suppliers must sign a statement affirming their compliance with applicable laws and regulations and confirming that they do not engage in or tolerate slavery or child labor – either within their own operations or among their suppliers.

The Group operates in Denmark and is therefore subject to strict labor laws, health and safety regulations, and other legal requirements. Our primary suppliers operate offshore oil rigs, which are also governed by stringent health and safety regulations. As a result, the risk of violation of human rights is considered low.

The Group will continue to require vendors to sign standard clauses ensuring compliance with human rights, anti-bribery and corruption policies.

No human rights violations were observed in 2024.

Anti-Bribery and Corruption

We do not offer or accept bribes under any circumstances. This includes facilitation payments, which are essentially smaller bribes. However, if you make a payment in a situation where you have genuine reason to believe that your life, limbs or liberty is at risk if you do not pay, this is not considered bribery or a facilitation payment. Nonetheless, such incidents must still be reported internally through the same channels as facilitation payments.

Our Code of Conduct, published in 2022, outlines policies on gifts and hospitality, anti-money laundering, anti-trust, trade compliance, conflicts of interest, and political activity and payments. Management expects this to remain a cornerstone of how we conduct business in the future. The risk of corruption is considered low, as fairness and ethical conduct are fundamental principles guiding our operations.

Action and performance:

All vendor contracts include standard clauses regarding compliance with human rights, anti-bribery and anti-corruption policies.

Management's Review (continued)

No instances of non-compliance with these policies were observed in 2024.

Research and development

In 2024, the decision was made to re-scope the HySynergy project. Originally designed as a greenfield unit, the project was reassessed due to uncertainties regarding feedstock availability, market maturity, and capital expenditure requirements. As a result, the focus shifted to revamping existing refinery units instead, primarily to partly substituting fossil crude with alternative feedstock of non-fossil origin for processing in the existing units.

The Group remains actively involved in several studies aimed at substituting fossil fuels with lower carbon intensity alternatives. These studies evaluate various technologies to support this transition.

Due to broader delays in the green transition, Crossbridge has paused initiatives related to e-fuels and carbon capture. However, the Group has developed a catalog of potential options that can be further explored when conditions are more favorable.

Research costs are expensed as incurred.

Employees, knowledge resources and research activities

The technological development of energy products continues to accelerate, and we are committed to staying at the forefront of this evolution to provide the best solutions for the market. Our most valuable competitive advantage remains the technological expertise, skills, and dedication of our employees. As such, we continue to invest significantly in staff development at both the employee and management levels, as well as new technologies to meet our customers' evolving energy needs.

Data ethics

The Group's data ethics policies are outlined in the Code of Conduct and include the following principles:

- **Access to data:** All access to data is protected by a personal username and password, with mandatory regular password changes. Additionally, external access to company platforms is safeguard through two-factor authentication.
- **ERP System:** The Company's ERP system requires user login credentials. Each user is assigned specific roles to ensure segregation of duties and prevent unauthorized data access. Data is stored in accordance with legal requirements.
- **Employee data:** Employee records are maintained in a separate system with restricted access to ensure confidentiality.
- **Customer data:** The Group exclusively serves corporate customers, and the data collected is limited to what is legally required for compliance purposes.
- **GDPR:** The Group adheres to the EU General Data Protection Regulation (GDPR).

Financial review

Net Profit/Loss

Net loss after tax was mUSD 32.1 in 2024, compared to net profit of mUSD 32.1 in 2023.

Management expected an EBITDA of mUSD 89.0 at the beginning of the year. The actual EBITDA was mUSD 1.0 (Operating loss mUSD 14.6 + Depreciation of mUSD 15.5). The 2024 results reflect declining refining

Management's Review (continued)

margins compared to 2023, as well as an extended maintenance shutdown.

Revenue and Profit Margins

Revenue in 2024 decreased by 21% compared to 2023, primarily due to lower oil prices and the extended shutdown. Crude oil traded at an average price of 81 USD/bbl in 2024 compared to 83 USD/bbl in 2023.

Profit margins declined by 2.0 %, from 3.1 % in 2023 to 1.1 % in 2024, as measured by gross profit as a proportion of revenue.

Costs

Distribution and administration costs increased by mUSD 0.8 to mUSD 28.9 in 2024 as compared to mUSD 28.1 in 2023.

Compared to 2023, distribution and administration costs increased by mUSD 0.8 to mUSD 28.9 in 2024.

Distribution of Profit

The Board suggests the Group's net loss for the year of mUSD 32.1 is carried forward into next year, leaving a remaining equity balance of mUSD 158.6 at year-end 2024.

Capital Resources and Liquidity

We expect our ongoing sources of capital and cash flow from operations to provide sufficient liquidity to meet both short-term and long-term capital requirements. As of 31 December 2024, liquidity— defined as the sum of (i) cash, (ii) cash related to financing facilities and (iii) undrawn capacity available on the AR Facility—stood at mUSD 50.8. These funds are available to support payroll, maintenance, and other non-working capital expenses.

We maintain our credit facilities with J. Aron & Company LLC (JANY), providing working capital liquidity through two key agreements: (i) Inventory Monetization Facility (IM Facility) and (ii) Accounts Receivable Revolving Facility (AR Facility). Both agreements were amended and extended in December 2023, with a new maturity date of 30 June 2027, under substantially improved terms. The agreements were further amended in December 2024 to adjust certain covenant levels.

The IM Facility is a volume-based facility supporting working capital needs related crude oil, blend stocks, and finished products. Unlike a fixed notional-based facility, the IM Facility is subject to a maximum physical inventory limit tied to the capacity of our onsite storage tanks. This structure offers additional liquidity for crude oil purchases, particularly in the event of sharp commodity price increases.

The AR Facility provides funding based on the value of eligible receivables in the borrowing base. As of 31 December 2024, we had mUSD 0.1 of undrawn capacity available under this facility.

Considering the Group's current cash balances, expected cash flow in 2025, and the available credit facilities, the Group's management considers capital resources and liquidity to be adequate.

Financial Position

The value of the inventories decreased by mUSD 35.1 (16.1%) from mUSD 218.6 in 2023 to mUSD 183.5 in 2024. Receivables decreased by mUSD 36.3 (42%) from mUSD 86.3 in 2023 to mUSD 50.0 in 2024.

Current liabilities increased by mUSD 24.8 (7.6%) from mUSD 328.3 in 2023 to mUSD 353.1 in 2024. The Group continues to invest significantly in asset integrity projects at the Refinery.

Management's Review (continued)

Prospect and Outlook for 2025

As we look forward to 2025, our commitment to conducting business safely and reliably remains our top priority.

According to the IEA Oil Market Report released in January 2025, global oil demand is projected to reach a record 104.0 million barrels per day in 2025, representing a 1.2 million barrels per day increase from the previous year. Refinery crude runs increased by 1.2 million barrels per day to a five-year high of 84.3 million barrels per day in December 2024, as scheduled autumn maintenance was completed and margins improved. Oil prices increased to over USD 80/bbl in early January 2025 as U.S. sanctions on Iran and Russia intensified. In January 2025, Washington targeted two major oil producers and over 160 tankers carrying oil for Russia, Iran, and Venezuela, complicating oil trade logistics for those countries. While it is too early to fully assess the impact of these new sanctions, some operators have reportedly started to pull back from Iranian and Russian crude for 2025 deliveries.

At the Group level looking ahead to 2025 and beyond, refining margins are expected to stabilize, and with the turnaround work completed, the operating units are expected to run near full utilization for the year. In addition, management has developed a five-year plan aimed at reducing operating costs and capital expenditures to align the Group's cost structure with competitive benchmarks. Given these factors, we forecast a refining margin of approximately USD 7.5/bbl and an EBITDA of approximately mUSD 77 for 2025.

However, global geopolitical tensions, including the effects of the U.S. election, the ongoing Russia-Ukraine conflict, new sanctions on Russian crude exports, and intensifying hostilities in the Middle East, each create uncertainty in our ability to predict refining margins. The ultimate impact of these factors on commodity prices, supply chains, and credit risks remains a key uncertainty that could materially affect our operations, earnings, cash flows, and financial condition.

Risk factors

Operational Risks

The significant operational risk factors are:

- Exposure to fluctuations in the difference between the price of crude oil and the price of various refined products, particularly in the European markets, significantly impacts refinery operating profits.
- Unscheduled refinery shutdowns can have a material negative financial impact.
- The Group's large holdings of oil products increases its exposure to crude oil and refined products price volatility. While the terms of the IM Facility provide substantial hedging against near-term flat price movements, the cost of hedging and differences in the underlying basis can be substantial and might result in significant variations in the financial results.

Foreign Exchange and Interest Exposure

As a consequence of our operations, investments and financing, the Group is exposed to changes in exchange rates (primarily USD vs DKK) and interest rate levels. Currency risk mainly arises from the purchase, storage and sale of oil products since these are bought and valued based on the US dollar and simultaneously sold to customers in both Danish kroner and US dollar.

It is our policy not to hedge such currency risks, which can lead to significant fluctuations in the financial results. Open currency risks are managed by our financial processes while, to the best of our ability, we ensure payables and receivables arise in the same currency.

Post Balance Sheet Events

Reference is made to note 23 in the Consolidated Financial Statements.

Consolidated Financial Statements

Income statement

for the financial year 1 January to 31 December 2024

In million USD	Notes	2024	2023
Revenue	3	<u>2,201.5</u>	<u>2,802.9</u>
Production costs		-2,177.1	-2,714.8
Gross profit (loss)		<u>24.4</u>	<u>88.1</u>
Sales and distribution costs		-2.1	-2.2
Administrative costs		-26.8	-25.9
Other operating income	6	0.0	38.8
Operating profit (loss)		<u>-4.5</u>	<u>98.8</u>
Financial income	7	6.0	7.5
Financial expenses	7	<u>-40.4</u>	<u>-52.4</u>
Profit (loss) before tax		<u>-38.9</u>	<u>53.9</u>
Tax on profit (loss) for the year	8	<u>6.8</u>	<u>-21.8</u>
Net profit (loss) for the year		<u>-32.1</u>	<u>32.1</u>

Statement of comprehensive income

for the financial year 1 January to 31 December 2024

Profit (loss) for the year		-32.1	32.1
Other comprehensive income (loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of operations with another functional currency		<u>-13.2</u>	<u>10.0</u>
Other comprehensive income (loss) for the year		<u>-13.2</u>	<u>10.0</u>
Total comprehensive income (loss) for the year		<u>-45.3</u>	<u>42.1</u>

Consolidated Financial Statements

Balance sheet

as at 31 December 2024

In million USD	Notes	2024	2023
Assets			
Non-current assets			
Intangible assets	10	28.6	36.4
Property, plant and equipment	11	154.6	99.0
Deferred tax asset	9	19.3	12.6
Other non-current assets		<u>8.9</u>	<u>7.1</u>
Total non-current assets		<u>211.4</u>	<u>155.1</u>
Current assets			
Inventories	12	183.5	218.6
Trade receivables		50.0	86.3
Receivables from Affiliates		3.6	0.0
Prepayments		7.0	5.7
Other receivables		5.4	41.4
Derivatives	13	0.0	2.3
Cash related to financing facility	13	29.9	31.9
Cash		<u>20.9</u>	<u>50.7</u>
Total current assets		<u>300.3</u>	<u>436.9</u>
Total assets		<u>511.7</u>	<u>592.0</u>

Consolidated Financial Statements

Balance sheet

as at 31 December 2024

In million USD	Notes	2024	2023
Equity			
Share capital	16	0.0	0.0
Translation Reserve		-18.6	-5.5
Retained earnings		<u>177.2</u>	<u>269.2</u>
Total equity		<u>158.6</u>	<u>263.7</u>
Liabilities			
Current liabilities			
Trade payables	13	74.1	103.1
Borrowings	13	254.8	187.3
Related Party debt		5.0	0.0
Income tax liabilities	8, 9	0.0	3.3
Provisions	18	5.5	11.9
Other payables		<u>13.7</u>	<u>22.8</u>
Total current liabilities		<u>353.1</u>	<u>328.3</u>
Total liabilities		<u>353.1</u>	<u>328.3</u>
Total liabilities and equity		<u>511.7</u>	<u>592.0</u>

Consolidated Financial Statements

Statement of changes in equity

for the financial year ending 31 December 2024

In million USD	Share capital	Translation reserve	Retained earnings	Total equity
At 31 December 2023	<u>0.0</u>	<u>-5.5</u>	<u>269.2</u>	<u>263.7</u>
Profit (loss) for the year	0.0	0.0	-32.1	-32.1
Other comprehensive income	<u>0.0</u>	<u>-13.2</u>	<u>0.0</u>	<u>-13.2</u>
Total comprehensive income	<u>0.0</u>	<u>-13.2</u>	<u>-32.1</u>	<u>-45.2</u>
Transactions with owners in their capacity as owners				
Dividends distributed	<u>0.0</u>	<u>0.0</u>	<u>-60.0</u>	<u>-60.0</u>
Total transactions with owners	<u>0.0</u>	<u>0.0</u>	<u>-60.0</u>	<u>-60.0</u>
As at 31 December 2024	<u><u>0.0</u></u>	<u><u>-18.6</u></u>	<u><u>177.2</u></u>	<u><u>158.6</u></u>

Statement of changes in equity

for the financial year ending 31 December 2023

In million USD	Share capital	Translation reserve	Retained earnings	Total equity
At 31 December 2022	<u>0.0</u>	<u>-15.5</u>	<u>237.1</u>	<u>221.6</u>
Profit for the year	0.0	0.0	32.1	32.1
Other comprehensive income	<u>0.0</u>	<u>10.0</u>	<u>0.0</u>	<u>10.0</u>
Total comprehensive income	<u>0.0</u>	<u>10.0</u>	<u>32.1</u>	<u>42.1</u>
Transactions with owners in their capacity as owners				
Total transactions with owners	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
As at 31 December 2023	<u><u>0.0</u></u>	<u><u>-5.5</u></u>	<u><u>269.2</u></u>	<u><u>263.7</u></u>

Consolidated Financial Statements

Statement of cash flows

for the financial year 1 January to 31 December

In million USD	Notes	2024	2023
Cash flows from operating activities			
Net profit for the year		-32.1	32.1
Adjustments	15	23.8	83.0
Changes in net working capital	15	45.9	53.2
Realized foreign exchange rate gains/loss	7	-4.2	1.3
Interest paid	7	-23.5	-22.6
Income taxes paid/received		-3.1	-17.0
Net cash inflow (outflow) from operating activities		6.8	130.0
Cash flows from investing activities			
Payments for intangible assets	10	-2.0	-6.9
Payments for property, plant and equipment	11	-68.9	-50.1
Net cash inflow (outflow) from investing activities		-70.9	-57.0
Cash flows from financing activities			
Repayment of borrowings	15	0.0	-54.5
Proceeds from borrowings	15	88.9	0.0
Proceeds from related party debt		5.0	0.0
Dividends paid to company's shareholders		-60.0	0.0
Net cash inflow (outflow) from financing activities		33.9	-54.5
Net increase (decrease) in cash		-30.2	18.5
Cash at the beginning of the financial year		50.7	29.2
Effects of exchange rate changes on cash		0.4	3.0
Cash at end of year		20.9	50.7

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Notes to the Consolidated Financial Statements

Note 1 Material accounting policy information

The Consolidated Financial Statements of PL ESG Denmark Co ApS and its subsidiaries ('the Group') for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Executive Board on 16 May 2025.

This note provides a list of the material accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with IFRS Accounting Standards as adopted by the EU as well as the additional Danish disclosure requirements applying to entities of reporting class C for large enterprises.

The Consolidated Financial Statements have been prepared on a historical cost basis except for embedded derivative financial instruments which are measured at fair value.

The Consolidated Financial Statements are presented in United States dollar (USD), which is also the functional currency of the Parent Company. All values are rounded to the nearest million, except when otherwise indicated.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods. Except for the amendments to IAS 1, cf. below, these have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. However, the following amendment to IAS 1 Presentation of Financial Statements has been adopted by the Group.

Amendments to IAS 1 Presentation of Financial Statements

As of the financial year 2024, the Group has adopted the amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants. The amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. See note 17 for a description of the significant financial covenants.

Principles of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Notes to the Consolidated Financial Statements

Note 1 Material accounting policy information

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States dollar (USD), which is the functional currency of the Parent Company.

Foreign currency translation - transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss.

Notes to the Consolidated Financial Statements

Note 1 Material accounting policy information

The results and financial position of operations that have a functional currency different from United States dollar are translated into United States dollar as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue

Revenue from sales of oil products is recognised at the transaction price to which the Group expects to be entitled, after deducting sales taxes, excise duties and similar levies. Generally, the sales price for sale of oil products is determined based on the average observable price for the respective products over the time period in which the sale is made.

Revenue from sale of oil products is recognised when control of the products has been transferred to the customer. For sales of oil products, it is either at the point of delivery or the point of receipt, depending on the contractual terms.

Revenue from sale of electricity and waste heat is recognized along with delivery of the electricity and waste heat.

Other operating income

Other operating income comprise items of a secondary nature to the activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment, as well as insurance compensation for loss of income and damaged equipment.

Production costs

Production expenses include costs incurred to generate revenue for the year. Cost includes raw materials, consumables, direct labour and indirect production costs such as maintenance, depreciation and impairment losses. Furthermore, costs for operation, administration and management of the Fredericia Refinery are allocated.

Sales and distribution costs

Sales and distribution expenses include costs such as salaries for sales and distribution personnel, advertising and marketing costs, depreciation, etc.

Administrative costs

Administrative expenses include costs of management, administrative personnel, office, depreciation etc.

Financial income and expenses

Financial income and expenses (net financial items) include interest income and expenses calculated in accordance with the effective interest method as well as exchange rate gains and losses on foreign currency transactions.

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Consolidated Financial Statements

Note 1 Material accounting policy information

Income tax

The income tax expense or income for the year is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax assets and liabilities

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax impact of Pillar II tax regime, if any, have been excluded. See note 8 for further discussion of Pillar II impacts.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Intangible assets

Intangible assets include externally acquired EU Emission Allowances used in the EU Emissions Trading Scheme and are recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses. The calculation of the amortisation considers the residual value of the EU Emission Allowances, which is determined by reference to the active market for emission allowances.

EU Allowances that are received free of charge as government grants are recognised at cost (nil).

Separately acquired favorable agreements are shown at historical cost. Favorable agreements acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives. Favorable agreements are depreciated over a period of 20 years.

Notes to the Consolidated Financial Statements

Note 1 Material accounting policy information

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Land	Not depreciated
Buildings	10 - 50 years
Technical installations and machinery	8 - 20 years
Operating equipment and fixtures	3 - 8 years
Assets under construction	Not depreciated

Impairment of assets

Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Other non-current assets

Other non-current assets consist of deposits related to the finance facilities measured at amortised cost.

Inventories

Inventories are measured at the lower of cost and net realisable value under the FIFO method. The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses, and allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials, consumables, and goods for resale comprise the purchase price plus transportation costs (or landed cost). Exchange agreements with other oil companies are also included in our inventory. The cost of work in progress comprises the cost of raw materials, consumables and direct labour. The cost of finished goods comprises the cost of raw materials, consumables, and direct labour plus production overheads. Production overheads comprise indirect materials, wages, maintenance and depreciation of production machinery, plant and equipment as well as administration and management.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost less loss allowance. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss.

Notes to the Consolidated Financial Statements

Note 1 Material accounting policy information

Prepayments

Prepayments recognised under assets comprise incurred costs pertaining to the subsequent financial years. They are measured at cost.

Derivative Financial Instruments

The Group is exposed to commodity price risk on its inventories of crude and refined products, as well as the cost of hedge rolls, which are required under the IM Facility. We manage our exposure using various over the counter derivative instruments including swaps and futures contracts based on crude and refined products traded on the Intercontinental Exchange (ICE).

The Group uses these OTC swaps and futures instruments to provide a measure of stability for its cash flows and to manage its exposure to price volatility. Futures and swaps are initially, and subsequently, measured at estimated fair value and are recorded as assets or liabilities on the balance sheet. The Group has elected not to designate its futures and options as hedges under hedge accounting, therefore changes in the estimated fair value of the contracts are recorded as gains and losses in the income statement. When the positions are settled, the Group recognizes realized gains and losses in the income statement. Futures and options cash flows are reported as cash flows from operating activity in the statement of cash flows.

The Group also has an embedded derivative for its obligation to repurchase certain crude oil and refined products from JANY at the termination of its Inventory Monetization Agreement. This liability was initially recorded at fair value and is subsequently adjusted to fair value at the end of each reporting period through production costs.

Cash related to financing facility

Cash related to financing facility represents a lender-controlled deposit that is in the Group's name, with deposited funds directed by the Group to its lenders for the AR facility.

Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. If payment is due within 12 months after the reporting period, Trade and other payables are presented as current liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

At initial recognition, borrowings are assessed for non-closely related embedded derivatives such as commodity price linked repayments and prepayment options at a price not approximately equal to the amortised cost. Proceeds received from the lender are adjusted for the initial fair value of such non closely related embedded derivative resulting in an adjustment to the effective interest rate. The embedded derivatives are subsequently measured at fair value through profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the Consolidated Financial Statements

Note 1 Material accounting policy information

Employee benefits

Pensions

For defined contribution plans, the Group pays contributions to publicly administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Long Term Retention Bonus

Long term retention bonus program is 3-year program for selected employees. In the award year the expected total expenditures after 3 years are accrued for. The individual bonuses are based on salary groups. The program is offered every year. At the end of each period the final bonus is calculated and paid out and the entity revises the estimated amount. The release of the first retention bonus program will be released in January 2025.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Provisions

Provisions are recognised when (i) an events occurs before the balance sheet date with a legal or constructive obligation and (ii) when an outflow of economic benefits is probable to settle the obligation. Provisions are recognised and measured as the best estimate of the expenditure required to settle liabilities as of the reporting date. Provisions with an expected maturity exceeding one year from the balance sheet date are discounted using the average bond yield.

The value of provisions related to decommissioning and restoration of the land and production plant is recognised as property, plant and equipment and is depreciated over the assessed lifetime of the refinery.

Other provisions consist of the obligation to deliver emission rights to cover the yearly emission by the Group in excess of the EU allowances received for free. The provision is measured at the then applicable market price of the allowances.

Equity reserves

Share capital

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

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to the Consolidated Financial Statements

Note 1 Material accounting policy information

Statement of cash flows

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as, depreciation, amortisation and impairment losses. Working capital comprises current assets less short-term debt, excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt and principal element on lease payments as well as payments to and from shareholders.

Cash

Cash comprises cash and bank balances.

Key figures

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Return on assets:
$$\frac{\text{Operating profit} \times 100}{\text{Total assets}}$$

Liquidity ratio:
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Notes to the Consolidated Financial Statements

Note 2 Critical estimates and judgements

The preparation of Consolidated Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Judgements

Inventory sale and repurchase arrangement

The Group has entered into an agreement under which the counterparty acquires crude oil, other feedstock and products. Under the arrangement, the counterparty legally acquires the goods and has a right to sell them back to the Group. The sales price as well as the repurchase price are based on the prevailing market rates for crude oil etc. Further, the resale price is increased with an amount which is a function of the time period between purchase and resale.

Management has assessed whether the arrangement should be accounted for as a sale of goods or as a financing transaction, based on IFRS 15's guidance regarding buyer options to resell the goods. Since the sales price at any point in time will be higher than the sales price determined based on the market price for crude oil upon repurchase, we concluded the arrangement is a financing arrangement having an embedded commodity price-indexed derivative.

Refer to note 13 for disclosure about the embedded derivative outstanding as of 31 December 2024.

On 22 December 2023, we refinanced the IM Facility and AR facility, prior to the expiry of the original maturity on 30 June 2024, and extended the maturity through 30 June 2027. Based on a detailed qualitative assessment, we concluded that the revised terms represented a substantial change in terms pursuant to IFRS 9, i.e. lower interest rate, reduction and elimination of certain fees, and number of improvements to the restrictive covenants. Consequently, we have accounted for the amendments as new and separate loans along with derecognition of the original loan and embedded derivatives.

Significant estimates

Deferred tax

As of 31 December 2024, the Group has deferred tax asset coming from temporary differences of total mUSD 8.9, which has been recognised in the balance sheet. The difference arises from three items: (i) fixed asset of mUSD -10.6, (ii) tax loss carryforwards mUSD 4.8 and (iii) inventories mUSD 14.7.

Recognition of tax loss carry-forwards requires that it is probable that future taxable profits are available against which the deferred tax assets can be utilised. As the approved budget and business plan show that the Group will generate taxable profits in the foreseeable future, Management has concluded that it will be able to meet the strict criteria in IAS 12. To provide 'convincing evidence' improvement yield structure and competitive position have been considered as key drivers. Consequently, the net deferred tax asset of mUSD 19.3 has been recognised.

Decommissioning and restoration provision

Management has assessed an indefinite lifetime for the refinery operations and therefore has not recognised a decommissioning and restoration provision.

In 2020, Crossbridge Energy A/S recognised for the first time a decommissioning and restoration provision of mUSD 41.5 for the refinery following a strategic decision taken by the former owner Royal Dutch Shell, which indicated a termination date of the refinery's operation.

Following the change of ownership in 2021, a new long-term strategic plan has been established. This plan focuses on transforming the refinery by shifting to new renewable feedstocks and business opportunities. Therefore, Management has decided to reverse the decommissioning and restoration provision, since an indefinite lifetime of the refinery operation is assessed.

Notes to the Consolidated Financial Statements

Note 3 Revenue

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods as specified as follows:

In million USD	2024	2023
Sale of energy and oil products at the Danish market	1,379.3	1,795.3
Export of oil products	803.2	978.2
Other revenue from related activities	18.9	29.4
	<u>2,201.5</u>	<u>2,802.9</u>

The Group recognises revenue at the point of risk transfer and/or delivery.

The Group's contracts are spot or fixed-volume contracts and are all for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these contracts are not disclosed.

Note 4 Staff costs

In million USD	2024	2023
Wages and salaries	39.7	34.5
Pension cost, defined contribution plans	3.5	3.0
Other social security costs	0.1	0.1
Long term retention program	0.5	0.8
	<u>43.8</u>	<u>38.4</u>
Average number of employees	291	271

The Group is offered a long-term retention bonus program. Binding period is three calendar years, and the retention bonus will be paid at Group's discretion if certain conditions are met at time of release.

Key management personnel compensation

Key management personnel consist of the Executive Board. The Executive Board do not receive any remuneration from the Group.

A total of mUSD 6.0 has been paid during 2024 (2023: mUSD 4.0) to a management entity for key management services.

In accordance with the Danish Financial Statements Act section 98B (3) remuneration of the Executive Board has not been disclosed.

Notes to the Consolidated Financial Statements

Note 5 Depreciation, amortisation and impairment

In million USD	2024	2023
Depreciation and amortisation		
Depreciation of buildings	0.2	1.5
Depreciation of technical installation and machinery	2.7	12.5
Depreciation of operating equipment and fixtures	0.4	0.6
Amortisation of favorable agreements	<u>1.7</u>	<u>1.7</u>
	<u>5.0</u>	<u>16.3</u>
Total depreciation, amortisation and impairment	<u>5.0</u>	<u>16.3</u>

Note 6 Other operating income

In million USD	2024	2023
Other operating income		
Insurance compensation	<u>0.0</u>	<u>38.8</u>
Total other operating income	<u>0.0</u>	<u>38.8</u>

Insurance claim

The fire damage the 17th of December 2022 caused the refinery to be shut down for approximately 10 days, with partial production resuming without the thermal gasoil unit (TGU) operational. This impacted the refinery's ability to process heavy crudes and a greater proportion of long residue products were manufactured. The insurance claim was based on a combination of business interruption and property damage. The final settlement was 38,5 mUSD and the total amount was received in 2023, which included 19.4 mUSD covered damaged fixed assets and 19.1mUSD covering operating losses due to the fire.

Notes to the Consolidated Financial Statements

Note 7 Financial income and expenses

In million USD	2024	2023
Financial income		
Interest income	3.1	0.0
Foreign exchange rate gains realised	0.1	2.6
Foreign exchange rate gains unrealised	<u>2.8</u>	<u>4.9</u>
Total financial income	<u>6.0</u>	<u>7.5</u>
Financial expenses		
Termination of debt and fair value adjustment of embedded derivatives	0.0	16.5
Other losses termination of debt	0.0	2.5
Interest expenses on borrowings	23.7	25.5
Exchange rate losses realised	4.3	1.4
Exchange rate losses unrealised	<u>12.4</u>	<u>6.5</u>
Total financial expenses	<u>40.4</u>	<u>52.4</u>
Total interest expense related to financial liabilities not at fair value through profit or loss	<u>23.7</u>	<u>25.5</u>

Notes to the Consolidated Financial Statements

Note 8 Income tax expense

In million USD	2024	2023
Current tax		
Current tax on profits for the year	0.0	-3.9
Adjustments for current tax of prior periods	0.1	5.0
Adjustments for deferred tax of prior years	-0.1	-0.2
Deferred tax adjustment at year end allowance	-2.2	-13.6
Deferred income tax	<u>9.0</u>	<u>-9.2</u>
Income tax expense	<u>6.8</u>	<u>-21.8</u>

In million USD	2024	%	2023	%
Reconciliation of effective tax rate				
Tax at the Danish tax rate of 22% (2022: 22%)	10.5	22.0%	-10.5	22.0%
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:				
Windfall tax 33% (2022: N/A)	0.0	0.0%	-2.3	4.3%
Deferred tax adjustment	-2.4	-6.1%	-13.6	25.2%
Non-deductible expenses	-0.1	-0.1%	-0.4	0.8%
Interest limitation	-1.2	-3.2%	0.0	0.0%
Other adjustments	0.0	0.0%	0.2	-0.4%
Adjustments for current tax of prior periods	<u>0.0</u>	<u>0.0%</u>	<u>4.8</u>	<u>-8.8%</u>
Income tax expense	<u>6.8</u>	<u>17.5%</u>	<u>-21.8</u>	<u>40.4%</u>

Pillar II

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On 7 December 2023, the government of Denmark, where the Group is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the Company will be required to pay a minimum domestic top-up tax on profits that are taxed at an effective tax rate of less than 15 per cent. As of 31 December 2024, no additional domestic Top-up tax is expected. This information is based on the Transitional CbCR Safe Harbour tests in the Pillar Two model rules. The Company is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance including any enactment of the rules at its US Parent Group.

Deferred tax adjustment relates to the capitalisation of tax losses carry forward of mUSD 22.1 and temporary differences of mUSD 66.2 totaling a deferred tax adjustment of mUSD 88.3.

Notes to the Consolidated Financial Statements

Note 9 Deferred tax

In million USD	2024	2023
Deferred tax		
Deferred tax at the beginning of period	12.6	35.6
Deferred tax recognised in the statement of profit or loss	<u>6.7</u>	<u>-23.0</u>
Deferred tax at year end	<u>19.3</u>	<u>12.6</u>
Deferred tax relates to:		
Property, plant and equipment	5.0	6.2
Intangible assets	-6.1	-6.5
Tax losses carried forward	4.8	4.6
Inventory and other	<u>15.6</u>	<u>8.3</u>
Total	<u>19.3</u>	<u>12.6</u>
Deferred tax asset, recognised	<u>19.3</u>	<u>12.6</u>

In line with the requirements of IAS 12, the deferred tax assets and liabilities are offset as the Group has a legal right to set off and as they relate to income tax with the same taxation authority.

As of 31 December 2024, the Group has deferred tax assets of mUSD 19.3, which are expected to be utilised in the coming 3-5 years.

Notes to the Consolidated Financial Statements

Note 10 Intangible assets

In million USD	Favorable agreements	Purchased emission rights	Total
Costs:			
At 31 December 2023	33.6	7.0	40.6
Additions	0.0	2.0	2.0
Disposals/settlements	0.0	-7.9	-7.9
Change in Foreign Exchange rates	0.0	-0.2	-0.2
At 31 December 2024	<u>33.6</u>	<u>0.9</u>	<u>34.5</u>
Accumulated appreciation and impairment:			
At 31 December 2023	-4.2	0.0	-4.2
Amortization charge	-1.7	0.0	-1.7
Disposals	0.0	0.0	0.0
At 31 December 2024	<u>-5.9</u>	<u>0.0</u>	<u>-5.9</u>
Carrying amount at 31 December 2024	<u>27.7</u>	<u>0.9</u>	<u>28.6</u>

No amortisations charge has been recognised for the emission certificates for 2024 or 2023 as the residual value is at least equal to the carrying value.

Favorable agreements consist of an agreement with the Danish port authority. The agreement allows the refinery to operate the harbor as a private port and such, the refinery is exempt from the payment of cargo dues on imports and exports of various crude and refined products. The remaining useful life of the agreement at period end is 16 years and six months.

Costs:

At 31 December 2022	33.6	8.7	42.3
Additions	0.0	6.9	6.9
Disposals/settlements	0.0	-8.8	-8.8
Change in Foreign Exchange rates	0.0	0.2	0.2
At 31 December 2023	<u>33.6</u>	<u>7.0</u>	<u>40.6</u>
Accumulated amortization and impairment:			
At 31 December 2022	-2.5	0.0	-2.5
Amortization charge	-1.7	0.0	-1.7
Disposals	0.0	0.0	0.0
At 31 December 2023	<u>-4.2</u>	<u>0.0</u>	<u>-4.2</u>
Carrying amount at 31 December 2023	<u>29.4</u>	<u>7.0</u>	<u>36.4</u>

Notes to the Consolidated Financial Statements

Note 11 Property, plant and equipment

In million USD	Land and buildings	Technical installations and machinery	Operating equipment and fixtures	Assets under construction	Total
Cost:					
At 1 January 2024	13.9	65.1	32.3	27.0	138.3
Additions	0.0	0.0	8.9	68.9	77.8
Transfers	4.8	12.6	18.3	-35.7	0.0
Disposals	0.0	0.0	0.0	0.0	0.0
Change in foreign exchange rates	-1.1	-4.5	-2.7	-1.8	-10.1
At 31 December 2024	<u>17.6</u>	<u>73.1</u>	<u>56.7</u>	<u>58.4</u>	<u>205.9</u>
Accumulated depreciation and impairment:					
At 1 January 2024	-3.2	-26.6	-9.5	0.1	-39.2
Transfers	0.0	0.0	0.0	0.0	0.0
Depreciation charge	-0.2	-2.7	-0.4	0.0	-3.3
Disposals	0.0	0.0	-8.8	0.0	-8.8
Change in foreign exchange rates	0.0	-1.0	1.0	0.0	0.0
At 31 December 2024	<u>-3.5</u>	<u>-30.3</u>	<u>-17.7</u>	<u>0.1</u>	<u>-51.4</u>
Carrying amount 31 December 2024	<u>14.1</u>	<u>42.8</u>	<u>39.1</u>	<u>58.5</u>	<u>154.6</u>
As per 31 December 2024 the Group has no capital commitments related to property, plant and equipment (2023: mUSD nil).					
Cost:					
At 31 December 2022	10.4	37.5	27.2	8.0	83.2
Additions	0.0	0.0	0.0	50.1	50.1
Transfers	3.0	25.2	3.5	-31.7	0.0
Disposals	0.0	0.0	0.0	0.0	0.0
Change in foreign exchange rates	0.5	2.3	1.6	0.5	5.0
At 31 December 2023	<u>13.9</u>	<u>65.0</u>	<u>32.3</u>	<u>26.9</u>	<u>138.3</u>
Accumulated depreciation and impairment:					
At 31 December 2022	-1.8	-14.1	-8.9	0.1	-24.7
Depreciation charge	-1.5	-12.5	-0.6	0.0	-14.6
Disposals	0.0	0.0	0.0	0.0	0.0
Change in foreign exchange rates	0.0	-0.0	0.0	0.0	0.0
At 31 December 2023	<u>-3.3</u>	<u>-26.6</u>	<u>-9.5</u>	<u>0.1</u>	<u>-39.3</u>
Carrying amount 31 December 2023	<u>10.6</u>	<u>38.4</u>	<u>22.8</u>	<u>27.0</u>	<u>99.0</u>

Notes to the Consolidated Financial Statements

Note 12 Inventory

Inventory

In million USD	2024	2023
Raw materials and consumables	34.9	79.9
Finished goods and trading goods	<u>148.6</u>	<u>138.7</u>
	<u>183.5</u>	<u>218.6</u>

Inventories recognised as an expense during the year ended 31 December 2024 amounted to mUSD 1,970 (2023: mUSD 2,574)

Notes to the Consolidated Financial Statements

Note 13 Financial assets and financial liabilities

The Group holds the following financial instruments:

In million USD	2024	2023
Financial assets		
Financial assets at amortised cost:		
Trade receivables	50.0	86.3
Other non-current assets	8.9	7.1
Other receivables	5.4	41.4
Cash related to financing facility	29.9	31.9
Cash	<u>20.9</u>	<u>50.7</u>
	<u>115.1</u>	<u>217.4</u>
Financial assets at fair value:		
Derivatives	0.0	2.3
Embedded derivative asset included in amortised cost of Borrowings	<u>0.0</u>	<u>0.0</u>
	<u>0.0</u>	<u>2.3</u>
Financial liabilities		
Liabilities at amortised cost:		
Borrowings	254.6	187.3
Trade payables	74.1	103.1
Other payables	<u>14.0</u>	<u>22.7</u>
	<u>342.7</u>	<u>313.1</u>
Financial liabilities at fair value:		
Derivatives	0.1	0.0
Embedded derivative liability included in amortised cost of Borrowings	<u>0.2</u>	<u>0.0</u>
	<u>0.3</u>	<u>0.0</u>

The Group's exposure to various risks associated with the financial instruments is discussed in note 14.

For financial assets and liabilities of short-term nature, such as trade receivables and trade payables, the carrying amount approximates their fair value. For borrowings, the fair values are not materially different from their carrying amounts since the interest payable on those borrowings is close to current market rates.

Borrowings

In million USD	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Borrowings	254.6	0.0	254.6	187.3	0.0	187.3
Embedded derivative	<u>0.2</u>	<u>0.0</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<u>254.8</u>	<u>0.0</u>	<u>254.8</u>	<u>187.3</u>	<u>0.0</u>	<u>187.3</u>

Notes to the Consolidated Financial Statements

Note 13 Financial assets and financial liabilities

As of 31 December 2024, the following borrowings were outstanding:

In million USD	Fixed/ variable	Interest level	Carrying amount	Expire date	Currency
Accounts Receivable facility	Variable	SOFR + 4.0%	58.7	6/30/2027	USD
Inventory monetization facility	Variable	SOFR + 4.5%	178.6	6/30/2027	USD
EUA facility	Fixed	8,4%	17.5	8/15/2025	EUR

The Secured Overnight Financing Rate (SOFR) is the primary bank offering rate for the Group. As of 31 December 2024, the principal amounts under our borrowings exposed to the SOFR variable interest rate were mUSD 237.1. The embedded derivative component of the IM Facility is not subject to interest.

Inventory and repurchase facility

Pursuant to the terms of the IM Facility, J. Aron purchases and holds title to certain crude oil, intermediate and finished products inventories (the "JANY Inventory") held in storage tanks at the Refinery (the "Storage Tanks"). Additionally, J.Aron has the right to store the JANY Inventory in the Storage Tanks under the IM Facility and retains these storage rights throughout the term of the agreement.

On an ongoing basis, the JANY Inventory is sold back to the Group as it is discharged out of the Storage Tanks, either for processing or for sale to customers. These ongoing purchases and sales are net-settled daily and a "true-up" occurs at month end to align the corresponding calendar month average indices.

Though title to the JANY Inventory resides with J.Aron, the accounting treatment for the IM Facility is analogous to a product financing arrangement; under which the crude oil and refined products inventories remain in the Group's balance sheet until processed and sold to a third party. The initial proceeds from J.Aron under the IM Facility were recorded as a liability at fair value and are subsequently adjusted to fair value at the end of each reporting period through earnings using current market prices.

In addition to the daily purchases and sales activity with J.Aron pursuant to IM facility, the Group is obligated to repurchase the crude oil and refined products from J.Aron upon termination of the agreement. The Group considers the repurchase obligation as an embedded derivative, similar to forward purchase contracts of crude oil and refined products and have recorded it at fair value and subsequently adjusted to fair value at the end of each reporting period through the income statement using forward market

The Group has elected to offset fair value amounts recognized for derivative instruments executed with the same counterparty under a master netting agreement, therefore our balance sheet presents the IM Facility derivative assets and liabilities on a net basis.

As discussed in note 2, the arrangement is considered a lending arrangement with an embedded commodity price index.

Notes to the Consolidated Financial Statements

Note 13 Financial assets and financial liabilities

Accounts receivable facility

Under the AR Facility, the Group is able to borrow against a pool of trade receivables pledged to the Lenders with an advance rate of 85.0 % of eligible receivables. As of 31 December 2024, the Group had an accounts receivables balance of mUSD 69.2, and a borrowing base amount of mUSD 58.8. The Group has utilized mUSD 58.7 under the AR Facility as of at 31 December 2024. As of 31 December 2023, the Group had an account receivables balance mUSD 59.9, giving a draw right of mUSD 49.1. In 2023 mUSD 0.0 had been used of the facility. During 2024, the fee for unused credit facility was 1.75% of the undrawn amount (2023: 1.25%).

The Group has retained any late payment and credit risk. Therefore, the Group continues to recognise the pledged receivable assets on its balance sheet. The Group considers the held-to collection business model is appropriate for these receivables and continues measuring them at amortised cost.

Under the terms of the AR Facility, payments from customers for eligible receivables are deposited into a controlled bank account, which cannot be accessed before a release notice is provided. Release notices are normally provided daily. Consequently, balances collected on these accounts are classified as Cash related to financing facility.

Seller financing facility

As part of the change in ownership in 2021, the seller provided a term loan. Loan was fully repaid prior to the end of 2023; the original maturity date of the term loan was 30 June 2026.

Measurement and fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are recognised and measured at fair value in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. The Group has classified its financial instrument measured at fair value by using level 2 input from the fair value hierarchy. Input for measuring the fair value on the balance sheet date consist of the inventory level and the forward price on oil. Fair value of the IM facility is determined to amount to its notional amount of mUSD 178.6 since the terms reflect the terms negotiated with the lender in December 2023. It is classified as level 2 in the fair value measurement hierarchy because it is a recent transaction.

Notes to the Consolidated Financial Statements

Note 14 Financial risk management

Exposure to financial risk is an embedded part of doing business. This includes risks from financial instruments to which the Group is exposed, and which can have an impact on the consolidated financial statements.

The Group's principal financial liabilities comprise loans and trade payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and cash and cash equivalents.

The financial risks the Group is exposed to include credit and liquidity risk as well as market risk related to changes in market interest rates, foreign exchange rates and oil price.

The Group's exposure to those risks, including our objectives, policies and processes for managing those risks are described below. There has been no change in the Group's financial risk management policies compared to last year.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's main interest rate risk arises from borrowings and credit facilities with variable rates, which expose the Group to cash flow interest rate risk. Details about the Group's borrowings and credit facilities, including its composition, is provided in note 13.

At 31 December 2024, the carrying amount of the Group's interest-bearing debt with a floating interest rate is mUSD 237.2 (2023 - mUSD 187.3). During 2024 and 2023 the Group's borrowings at variable rates were mainly denominated in USD. The Group is further exposed to changes in interest rates on its bank deposits.

The Group is exposed to the risk of changes in interest rates, primarily because of variable rate borrowings under the AR Facility and IM Facility. To the extent that interest rates increase, interest expense for these credit facilities will also increase. As of 31 December 2024, the Group has not entered into any interest rate hedging agreements, but continues to monitor its interest rate exposure.

Sensitivity analysis

A 100 basis point change interest rates as compared to the interest rates as of the end of the reporting period will have the following hypothetical impact on post tax profit and equity.

In million USD	2024	2023
	Impact on post tax profit and equity	
Interest rates - increase by 100 basis points (2023: 100 bps)	-2.3	-2.0
Interest rates - decrease by 100 basis points (2023: 100 bps)	2.3	2.0

The sensitivity analysis assumes that all other variables and exposures remains constant. The impact on post tax profit and equity is based on financial instruments that were recognised at the respective balance sheet dates. The sensitivity analysis does not consider the impact from proceeds and repayments on borrowings made during the year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a balance sheet exposure will fluctuate because of changes in foreign exchange rates.

The majority of the Group's products are sold domestically and denominated in DKK, whereas exports to the European market are primarily made in USD. Purchases are mainly made in USD and DKK.

As further described in note 13, the Group's borrowings and credit facilities are denominated in USD.

Notes to the Consolidated Financial Statements

Note 14 Financial risk management

It is the Group's policy not to hedge its exposure to DKK/USD exchange rates. As of 31 December 2024, the Group did not have any financial derivative instruments to hedge the risks related to foreign currency exchange rates. The Group will continually monitor the market and its exposure and may enter into these agreements in the future.

Due to the fixed exchange rate regime between DKK and EUR, the Group's exposure to changes in the DKK/EUR exchange rates is insignificant.

Sensitivity analysis

A 5% change in the DKK/USD exchange rate, when compared to the exchange rate as of the end of the reporting period will have the following hypothetical impact on post tax profit and equity.

In million USD	2024	2023
	Impact on post tax profit and equity	
DKK/USD - increase by 5 % (2023: 5%)	-2.6	1.6
DKK/USD - decrease by 5 % (2023: 5%)	2.6	-1.6

The sensitivity includes the impact from monetary items denominated in foreign currencies outstanding at the end of the reporting period.

Oil price risk

The profitability of the Group is significantly influenced by the prices of crude oil and other feedstocks, as well as the margin between these feedstocks and the refined petroleum products produced from them. These factors are subject to various external influences beyond the Group's control.

In addition, as discussed in note 13, the inventory financing arrangement comprises an embedded crude oil and petroleum product price linked derivative. In 2023, a hedging program was implemented to mitigate the exposure to these risks using various OTC derivative instruments including swaps and futures contracts.

As of 31 December 2024, the inventory subject to the repurchase obligation amount to 2,1 million bbls. The repurchase obligation is due 30 June 2027 and was adjusted to fair value at year end using third party pricing indices.

As of 31, December 2024, derivative instruments were in place to hedge against execution timing of hedge rolls under our IM Facility hedge rolls and price exposure on sales to our customers ("Time Spread Hedges"), as well as to protect against decline in the refining margin ("Crack Spread Hedges"). These unsettled positions had a fair value of mUSD -10.1 (2023: mUSD 2.3), comprised of mUSD -5.0 (2023: mUSD 0.5) for Crack Spread Hedges and mUSD -5.1 (2023: mUSD 1.8) on Time Spread Hedges.

Time Spread Hedges were comprised of OTC swaps using the underlying Brent Crude Oil, Dated Brent Crude, and Low Sulphur Gasoil ICE contracts of duration ranging from January 2025 through March 2025. These swaps had a combined notional quantity of 56 kb or roughly 1% of the refinery capacity during this time frame. The total notional value of these agreements was mUSD -5.1 and fair value of mUSD -5.2 resulting in a loss of mUSD 0.1.

Notes to the Consolidated Financial Statements

Note 14 Financial risk management

Crack Spread Hedges were comprised of OTC swaps using the underlying Brent Crude Oil, Dated Brent Crude, ULSD 10PPM CIF NWE, Jet Fuel CIF NWE, and Low Sulphur Gasoil ICE contracts of duration ranging from January 2025 through March 2025. These swaps had a combined notional quantity of 285 kb or roughly 4% of the refinery capacity during this timeframe. The total notional value of these agreements was mUSD 5.0 and fair value of mUSD 5.2 resulting in a loss of mUSD 0.2.

To illustrate the impact which changes in the relationship between crude oil and petroleum products prices could have on our results, an increase or decrease in Company's average gross refining margin per barrel of 10% could result in an impact of mUSD 14.5 on post tax profit and equity.

Sensitivity analysis

A reasonably possible change in the forward commodity prices of crude oil and petroleum products price compared to the same forward prices as of the end of the reporting period will have the following hypothetical impact on post tax profit and equity.

In millions USD	2024	2023
	Impact on post tax profit and equity	
Average gross refining margin per barrel - increase by 10 % (2023: 10 %)	14.5	22.5
Average gross refining margin per barrel - decrease by 10 % (2023: 10 %)	-14.5	-22.5

Credit risk

Credit risk arises primarily from trade receivables as well as from cash and cash related to financing facility deposited with banks and financial institutions.

Trade receivables are amounts from customers for delivery of oil products etc. provided in the ordinary course of business. Payments are generally due for settlement within 5 days after invoice date, and are therefore all classified as current.

The customers do normally have a high credit quality. As of 31 December 2023, the Group's trade receivables amount to mUSD 50.0 (2023: mUSD 86.3).

The Group regularly utilizes parent guarantees, letters of credit or prepayment arrangement with certain customers.

In general, each customer's credit profile is assessed twice a year. The Group uses an internal credit assessment matrix based on the customer's financial performance to determine the customer's credit quality and related credit rating. Management considers forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables and adjusts potential loss rates accordingly.

Historically, the Group has not incurred any material losses from trade receivables. Due to the composition of the customer base and the past history with no significant credit losses, the credit risk on trade receivables is assessed to be insignificant. As a result, the Group's allowance for expected credit losses, as measured by applying the IFRS 9 simplified approach, is immaterial.

In addition, the Group is exposed to counterparty risk related to deposits with banks. As of 31 December 2024, deposits with banks amounted to mUSD 20.9 (2023: mUSD 50.7). Credit risks from balances with banks and financial institutions are reviewed by management. To mitigate this risk, it is the Group's policy only to use banks of high quality and with low credit risk.

Concentration of credit risk

The Group has identified a concentration of risk on receivables due to a limited number of customers accounting for a disproportionate amount of sales. The potential impact of a default from one of these customers could be significant to the Group. As of 31 December 2024, trade receivables relating to the 3 largest customers amounted to mUSD 30.2 (As per 31 December 2023: mUSD 57.1). The Group's deposits with banks are concentrated at two counterparties, Nordea and Goldman Sachs, rated AA- and BBB+ respectively.

Notes to the Consolidated Financial Statements

Note 14 Financial risk management

Liquidity risk

The Group expects its ongoing sources of capital and cash flow from operations to provide sufficient liquidity to meet both short-term and long-term capital requirements. As of December 31, 2024, liquidity— defined as the sum of (i) cash, (ii) cash related to financing facilities and (iii) undrawn capacity available on the AR Facility)—stood at mUSD 50.8. These funds are available to support payroll, maintenance, and other non-working capital expenses.

The Group maintains credit facilities with J. Aron & Company LLC (JANY), providing working capital liquidity through two key agreements: (i) Inventory Monetization Facility (IM Facility) and (ii) Accounts Receivable Revolving Facility (AR Facility). Both agreements were amended and extended in December 2023, with a new maturity date of 30 June 2027, under substantially improved terms. The agreements were further amended in December 2024 to adjust certain covenant levels.

The IM Facility is a volume-based facility supporting working capital needs related crude oil, blend stocks, and finished products. Unlike a fixed notional-based facility, the IM Facility is subject to a maximum physical inventory limit tied to the capacity of our onsite storage tanks. This structure offers additional liquidity for crude oil purchases, particularly in the event of sharp commodity price increases.

As of 31 December 2024, we had mUSD 0.1 of undrawn available capacity on the AR facility (2023: mUSD 49.4). In addition, the Group has a balance of mUSD 29.9 in cash related to financing facility (2023: mUSD 31.9).

Based on the Group's expected cash flow developments in 2025 and access to the credit facilities described, the Group's Board of Directors and Executive Board consider capital resources and liquidity to be adequate.

Maturities of financial liabilities

The amounts disclosed in the following table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

In millions USD					Total	
Contractual maturities of financial liabilities	< 1 year	1 - 2 years	2 - 5 years	> 5 years	contractual cash flows	Carrying amount
At 31 December 2024						
Trade payables	74.1	0.0	0.0	0.0	74.1	74.1
Borrowings	254.8	0.0	0.0	0.0	254.8	254.8
	<u>328.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>328.9</u>	<u>328.9</u>

In millions USD					Total	
Contractual maturities of financial liabilities	< 1 year	1 - 2 years	2 - 5 years	> 5 years	contractual cash flows	Carrying amount
At 31 December 2023						
Trade payables	103.1	0.0	0.0	0.0	103.1	103.1
Borrowings	187.3	0.0	0.0	0.0	187.3	187.3
	<u>290.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>290.4</u>	<u>290.4</u>

Notes to the Consolidated Financial Statements

Note 15 Cash flow specifications

In million USD	2024	2023
Adjustments		
Financial income	-6.0	-7.5
Financial expenses	40.4	52.4
Depreciation and amortisation	5.0	16.3
Income Tax	-6.8	21.8
Other adjustments	-8.8	0.0
	<u>23.8</u>	<u>83.0</u>
Changes in net working capital		
Change in inventories	23.5	-12.2
Change in receivables	60.3	21.1
Change in trade payables	-37.9	44.3
	<u>45.9</u>	<u>53.2</u>

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

In million USD	Borrowings
At 31 December 2022	211.4
Cash flows	-54.5
Fair value adjustment of embedded derivative	5.5
Other changes	<u>25.0</u>
At 31 December 2023	<u>187.4</u>
At 31 December 2023	187.4
Cash flows	88.9
Fair value adjustment of embedded derivative	0.2
Other changes	<u>-21.5</u>
At 31 December 2024	<u>255.0</u>

Notes to the Consolidated Financial Statements

Note 16 Share capital

	2024		2023	
	Number of shares	Nominal value USD	Number of shares	Nominal value USD

The share capital comprises:

Ordinary shares at 1 January	400	6,537.0	400	6,537.0
Ordinary shares at 31 December	400	6,537.0	400	6,537.0

No shares carry any special rights. All shares are fully paid.

	2024	2023
	USD per share	
Total dividend paid out for the year	144,098.1	0.0
Total dividend proposed for the year	0.0	0.0

Note 17 Capital management

The Group's objectives when managing capital are to (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and (ii) maintain an optimal capital structure to reduce the cost of capital.

The Group's operations are capital intensive, requiring a structured funding strategy to establish and maintain an optimal financing framework. This strategy supports the Group's objectives while ensuring compliance with financial covenants and other requirements set by its capital providers.

To achieve these objectives, the Group actively manages its asset and liability mix, adjusting its liquidity profile and cost of capital based on prevailing conditions and project capital needs. To enhance liquidity, the Group may (i) enter into or refinance credit facilities, (ii) issue equity capital or (iii) sell assets. Conversely, to deploy excess liquidity, the Group may (i) repay credit facilities, (ii) return capital to shareholders through dividends or (iii) acquire or construct long-term assets.

The Group continuously monitors its short-term and long-term capital needs through cash flow forecasting, effective working capital and credit risk management, and assessment of recent and expected refining margins and operating performance.

Financial Covenants and Compliance

Under the terms of the AR Facility and IM Facility in place on 31 December 2024, Crossbridge AS must comply with specific financial and liquidity covenants, as well as financial reporting requirements. These include:

Financial covenant

To comply with the financial covenant, Crossbridge must maintain both (i) EBITDA (as defined in the AR Facility and IM Facility agreements) of at least mUSD 2.5 for the prior quarter; and (ii) EBITDA of at least mUSD 40.0 for the preceding four quarters combined.

Liquidity Covenant

To comply with the Liquidity Covenant in place on 31 December 2024, Crossbridge must maintain both (i) Daily Liquidity (as defined in the AR Facility and IM Facility agreements) of at least mUSD 15.0; and (ii) Average Liquidity of at least mUSD 30.0 for each week.

In the fourth quarter of 2024, the Group notified JANY of a breach of its prior Liquidity Covenant, which required Daily Liquidity of at least mUSD 50. To address this, the Group and JANY negotiated an amendment, establishing the revised Liquidity Covenant package described above. To effectuate the amendment, Crossbridge received a mUSD 5.0 capital contribution from its parent PL ESG Denmark and incurred certain transaction related fees and expenses. The amendment was executed on 30 December 2024. As of 31 December 2024, Crossbridge was in full compliance with all covenants.

Notes to the Consolidated Financial Statements

Note 18 Provisions

Provisions

In million USD	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Environmental obligation	3.6	0.0	3.6	3.5	0.0	3.5
Other provisions	<u>1.9</u>	<u>0.0</u>	<u>1.9</u>	<u>8.4</u>	<u>0.0</u>	<u>8.4</u>
	<u>5.5</u>	<u>0.0</u>	<u>5.5</u>	<u>11.9</u>	<u>0.0</u>	<u>11.9</u>

The environmental obligation provision relates to costs associated with the clean-up of spillages which occurred during the recent year. All provisions are subject to review on a monthly basis.

Other provisions consist of the obligation to deliver emission rights to cover the yearly emission by the Group.

In million USD	Decommissioning and restoration	Environmental obligation	Other provisions	Total
At 1 January 2024	0.0	3.5	8.4	11.9
Charged to profit and loss				
- Additional provision recognised	0.0	1.7	1.6	3.3
- Unused amounts reversed	0.0	0.0	0.0	0.0
Amounts used during the year	0.0	-1.2	-7.9	-9.1
Change in Foreign Exchange rates	<u>0.0</u>	<u>-0.4</u>	<u>-0.2</u>	<u>-0.6</u>
As at 31 December 2024	<u>0.0</u>	<u>3.6</u>	<u>1.9</u>	<u>5.5</u>
At 1 January 2023	0.0	3.1	14.8	18.0
Charged to profit and loss				
- Additional provision recognised	0.0	0.7	8.4	9.1
- Unused amounts reversed	0.0	0.0	0.0	0.0
Amounts used during the year	0.0	-0.5	-15.2	-15.7
Change in Foreign Exchange rates	<u>0.0</u>	<u>0.2</u>	<u>0.3</u>	<u>0.5</u>
As at 31 December 2023	<u>0.0</u>	<u>3.5</u>	<u>8.4</u>	<u>11.9</u>

The cost related to the environmental obligation is expected to be realized within one year. Other provisions will be settled within 1 year.

Notes to the Consolidated Financial Statements

Note 19 Interests in other entities

The Group's principal subsidiaries at year end are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business	Ownership interests held by the group	
		2024	2023
Crossbridge Energy A/S	Fredericia	100%	100%

Note 20 Related party transactions

The Group is controlled by the following entities:

Name of entity	Type	Place of business	Ownership interests	
			2024	2023
Postlane Equity Partners Corporation	Ultimate parent company	United States of America	100%	0%
Crossbridge Sub Holding Corporation	Intermediate holding company	United States of America	100%	0%
ESG Energy Holdings, LLC	Intermediate holding company	United States of America	100%	100%
ESG Energy Partners	Principal shareholder	United States of America	100%	100%

In December 2024, as part of a completed recapitalization process undertaken to raise new equity for the Group, a new ultimate parent company, Postlane Equity Partners Corporation, was established. In connection with the capital raise, shares in the new parent entity were issued to incoming shareholders. A portion of the proceeds from the equity issuance was subsequently contributed to Crossbridge Energy A/S as a capital contribution.

Information about remuneration to key management personnel has been disclosed in note 4.

Transactions with related parties

In million USD	2024	2023
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The following transactions occurred with related parties:

Transactions with parent companies

Purchase of management services from ESG Energy Partners LLC	-6.0	-4.0
Purchase of 3rd party services via ESG Energy Partners LLC	-2.5	-3.3
	<u>-8.5</u>	<u>-7.3</u>

Transactions with other related parties

Purchase of management fee	-2.7	0.0
Sales of goods and services	70.7	1.7
Purchase of goods and services	-38.8	-29.5
	<u>29.2</u>	<u>-27.8</u>

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Current payables to parent companies	-0.1	0.0
Current receivables from other related parties	3.9	0.5
Current payables to other related parties	0.0	-0.6
Loan payable to ESG Energy Partners LLC	-5.0	0.0

Notes to the Consolidated Financial Statements

Note 21 Contingent liabilities and assets pledged as security

Contingent liabilities

The Group is jointly taxed with other Danish entities within the group and bears joint and several liabilities with these entities for the settlement of income taxes and dividend payments as they become due.

Assets pledged as security

Corporate mortgages amounting to mUSD 210 as of 31 December 2024 (2023: mUSD 134), grant the Company's lenders a security interest in our Inventory, Accounts receivable, Technical installations and machinery, and Operating equipment having a combined carrying amount of mUSD 464 as of 31 December 2024 (2023: mUSD 502).

Please refer to note 13 for further description of the terms and conditions for the financing facilities for trade receivables and inventory.

Note 22 Fees to auditors

In million USD	2024	2023
PricewaterhouseCoopers		
Audit fee	0.3	0.3
Other assurance services	0.0	0.1
Tax advisory services	0.0	0.0
Other services	<u>0.0</u>	<u>0.1</u>
	<u>0.3</u>	<u>0.5</u>

Note 23 Subsequent events

No other events after the balance sheet date has affected the balance sheet as of 31 December 2024.

Parent Company Financial Statements

Income statement

for the financial year 1 January to 31 December 2024

In million USD	Notes	2024	2023
Revenue		<u>0.0</u>	<u>0.2</u>
Gross profit (loss)		<u>0.0</u>	<u>0.2</u>
Administrative costs		-0.1	-0.1
Operating profit (loss)		<u>-0.1</u>	<u>0.1</u>
Profit after tax in subsidiaries	5	-32.2	32.0
Financial income		0.2	0.0
Financial expenses		<u>-0.0</u>	<u>0.0</u>
Profit (loss) before tax		<u>-32.1</u>	<u>32.1</u>
Tax on profit for the year		<u>-0.0</u>	<u>0.0</u>
Net profit (loss) for the year		<u>-32.1</u>	<u>32.1</u>

Statement of comprehensive income

for the financial year 1 January to 31 December 2024

Net profit (loss) for the year		-32.1	32.1
Other comprehensive income (loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of operations with another functional currency		<u>-13.2</u>	<u>10.0</u>
Other comprehensive income (loss) for the year, after tax		<u>-13.2</u>	<u>10.0</u>
Total comprehensive income (loss) for the year		<u>-45.3</u>	<u>42.1</u>

Parent Company Financial Statements

Balance sheet

as at 31 December 2024

In million USD	Notes	2024	2023
Assets			
Non-current assets			
Investments in subsidiaries		<u>163.2</u>	<u>263.6</u>
Total non-current assets		<u>163.2</u>	<u>263.6</u>
Current assets			
Other receivables		0.2	0.0
Cash		<u>0.1</u>	<u>0.1</u>
Total current assets		<u>0.3</u>	<u>0.1</u>
Total assets		<u>163.5</u>	<u>263.7</u>
Equity			
Share capital		0.0	0.0
Reserve for net revaluation according to the equity method		130.2	235.6
Retained earnings		<u>28.2</u>	<u>28.0</u>
Total equity		<u>158.4</u>	<u>263.7</u>
Liabilities			
Current liabilities			
Trade payables		0.1	0.0
Related party debt		<u>5.0</u>	<u>0.0</u>
Total current liabilities		<u>5.1</u>	<u>0.0</u>
Total liabilities		<u>5.1</u>	<u>0.0</u>
Total liabilities and equity		<u>163.5</u>	<u>263.7</u>

Parent Company Financial Statements

Statement of changes in equity

for the year ended 31 December 2024

In million USD	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
As at 31 December 2023	0.0	235.6	28.1	263.7
Profit (loss) for the year	0.0	-32.2	0.1	-32.1
Other comprehensive income (loss)	0.0	-13.2	0.0	-13.2
Total comprehensive income (loss)	0.0	-45.4	0.1	-45.3
Transactions with owners in their capacity as owners				
Payment of share capital	0.0	0.0	0.0	0.0
Shareholder distribution	0.0	-60.0	0.0	-60.0
Total transactions with owners	0.0	-60.0	0.0	-59.9
As at 31 December 2024	0.0	130.2	28.2	158.4

Statement of changes in equity

for the year ended 31 December 2023

In million USD	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
As at 31 December 2022	0.0	193.6	27.9	221.6
Profit for the year	0.0	32.0	0.1	32.1
Other comprehensive income	0.0	10.0	0.0	10.0
Total comprehensive income	0.0	42.0	0.1	42.1
Transactions with owners in their capacity as owners				
Payment of share capital	0.0	0.0	0.0	0.0
Shareholder contribution	0.0	0.0	0.0	0.0
Total transactions with owners	0.0	0.0	0.0	0.0
As at 31 December 2023	0.0	235.6	28.0	263.7

Parent Company Financial Statements

Statement of cash flows

for the financial year 1 January to 31 December 2024

In million USD	Notes	2024	2023
Cash flows fom operating activities			
Net Income (loss) for the year		-32.1	32.1
Adjustment for share of profit in subsidiaries		32.2	-32.1
Adjustment for non-cash administrative costs		0.0	0.0
Realised foreign exchange rate gains/loss		-0.1	0.0
Changes in net working capital		0.1	0.1
Net cash inflow (outflow) from operating activities		0.1	0.1
Cash flows from investing activities			
Cash consideration for acquiring subsidiaries		0.0	0.0
Contribution to subsidiaries		0.0	0.0
Dividends received from subsidiary		60.0	0.0
Net cash inflow (outflow) from investing activities		60.0	0.0
Cash flows from financing activities			
Dividends paid to Parent Company		-60.0	0.0
Shareholder contribution		0.0	0.0
Net cash inflow (outflow) from financing activities		-60.0	0.0
Net increase (decrease) in cash		0.1	0.1
Cash at the beginning of the financial year		0.1	0.0
Effects of exchange rate changes on cash		-0.1	0.0
Cash at end of year		0.1	0.1

Contents of the notes to the Parent Company Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Critical estimates and judgements
Note 3	Income Tax Expense
Note 4	Deferred Tax
Note 5	Investments in subsidiaries
Note 6	Financial risk management
Note 7	Related party transactions
Note 8	Share capital
Note 9	Capital management
Note 10	Contingent liabilities and assets pledged as security
Note 11	Subsequent events

Notes to the Parent Company Financial Statements

Note 1 Summary of significant accounting policies

As the Parent Company of the Group, the Financial Statements of PL ESG Denmark Co ApS ('the Parent Company') are separate Financial Statements disclosed as required by the Danish Financial Statements Act.

This note provides a list of the significant accounting policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Financial Statements of the Parent Company have been prepared in accordance with IFRS Accounting Standards as adopted by the EU as well as the additional Danish disclosure requirements applying to entities of reporting class C for large enterprises.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods. Except for the amendments to IAS 1, cf. below, these have not been early adopted by the Parent Company. These standards, amendments or interpretations are not expected to have a material impact on the Parent Company in the current or future reporting periods and on foreseeable future transactions. However, the following

Amendments to IAS 1 Presentation of Financial Statements

As of the financial year 2024, the Parent Company has adopted the amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants. The amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. See note 17 for a description of the significant financial covenants.

The accounting policies of the Parent Company are identical with the accounting policies for the Consolidated Financial Statements, except for the following:

Foreign currency translation

Foreign currency adjustments of balances considered part of the total net investment in enterprises which have a functional currency other than United States dollar (USD) are recognised in the income statement of the Parent Company under financials.

Foreign currency translation - transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss.

Parent Company Financial Statements

Note 1 Summary of significant accounting policies

Investments in subsidiaries

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Parent Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Parent Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from subsidiaries are recognised as a reduction in the carrying amount of the investment.

Where the Parent Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Parent Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Parent Company and its subsidiaries are eliminated to the extent of the Parent Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Parent Company.

Note 2 Critical estimates and judgements

The preparation of Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Parent Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Judgements

Investments in subsidiaries

Management assesses annually whether there is an indication of impairment of investments in subsidiaries. If so, the investments will be tested for impairment, involving various estimates on future cashflows, growth, discount rates, etc. On 31 December 2024, no impairment indicators were identified.

Notes to the Parent Company Financial Statements

Note 3 Income tax expense

In million USD	2024	2023
Current tax		
Current tax on profits for the year	0.0	0.0
Adjustments for current tax of prior periods	0.0	0.0
Deferred income tax	0.0	0.0
Income tax expense	0.0	0.0

In million USD	2024	%	2023	%
Reconciliation of effective tax rate				
Tax at the Danish tax rate of 22% (2023: 22%)	7.1	22.0%	-7.1	22.0%
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:				
Share of profit in subsidiaries	-7.1	-22.0%	7.1	-22.0%
Deferred tax, not recognised	0.0	0.0%	0.0	0.0%
Non-deductible expenses	0.0	0.0%	0.0	0.0%
Income tax expense	0.0	0.0%	0.0	0.0%

Notes to the Parent Company Financial Statements

Note 4 Deferred tax

In million USD	2024	2023
Deferred tax		
Deferred tax at the beginning of period	0.0	0.5
Adjustments re. Previous years	0.0	-0.5
Deferred tax recognised in the statement of profit or loss	<u>0.0</u>	<u>0.0</u>
Deferred tax at year end	<u>0.0</u>	<u>0.0</u>
Deferred tax relates to:		
Tax losses carried forward	0.0	0.0
Other	<u>0.0</u>	<u>0.0</u>
Total	<u>0.0</u>	<u>0.0</u>
Deferred tax asset, recognised	<u>0.0</u>	<u>0.0</u>
Deferred tax asset not recognised in the balance sheet.	<u>0.0</u>	<u>0.0</u>

In line with the requirements of IAS 12, the deferred tax assets and liabilities are offset as the Group has a legal right to set off and they relate to income tax with the same taxation authority.

As of 31 December 2024, the Company has no deferred tax assets, which has not been recognised in the balance sheet (2023: mUSD nil)

Notes to the Parent Company Financial Statements

Note 5 Investments in subsidiaries

In million USD	Total
Costs:	
At 31 December 2023	<u>28.0</u>
Capital contribution	<u>5.0</u>
At 31 December 2024	<u>33.0</u>
Value adjustments:	
At 31 December 2023	235.6
Foreign exchange adjustments	-13.2
Profit (loss) for the year	-32.2
Dividend to Parent	<u>-60.0</u>
At 31 December 2024	<u>130.2</u>
Carrying amount at 31 December 2024	<u>163.2</u>

Please refer to note 19 of the Consolidated Financial Statements for information on investments in subsidiaries.

In million USD	Total
Costs:	
At 31 December 2022	<u>28.0</u>
At 31 December 2023	<u>28.0</u>
Value adjustments:	
At 31 December 2022	193.6
Foreign exchange adjustments	10.0
Profit for the year	<u>32.0</u>
At 31 December 2023	<u>235.6</u>
Carrying amount at 31 December 2023	<u>263.6</u>

Please refer to note 19 of the Consolidated Financial Statements for information on investments in subsidiaries.

Notes to the Parent Company Financial Statements

Note 6 Financial risk management

Exposure to financial risk is an embedded part of doing business.

Financial risks of the Parent Company are handled within the risk management processes and framework of the Group. Please refer to note 14 to the Consolidated Financial Statements.

Note 7 Related party transactions

The Parent Company is controlled by the parent companies disclosed in note 20 to the Consolidated Financial Statements.

Other receivables include amounts due from Crossbridge Energy A/S.

Related party debt is a loan payable to ESG Energy Partners, LLC.

There are no transactions with key management personnel other than remuneration disclosed in note 4 to the Consolidated Financial Statements have been made.

Note 8 Share capital

Please refer to note 16 of the Consolidated Financial Statements for the disclosure of share capital for the Parent Company.

Note 9 Capital management

In order to maintain or adjust the capital structure, the Parent Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Parent Company manages capital following the same principles as the group. Please refer to note 17 of the Consolidated Financial Statements for further description of capital management.

Note 10 Contingent liabilities and assets pledged as security

Contingent liabilities

The Parent Company is jointly taxed with other Danish entities within the group and bears joint and several liabilities with these entities for the settlement of income taxes and dividend payments as they become due.

Note 11 Subsequent events

Please reference Note 23 in the Consolidated Financial Statements.

There are no other subsequent events for the Parent Company.