

INEOS Energy (Syd Arne) ApS

**Teknikerbyen 5, 1.
Virum**

Annual report for 2024

CVR no. 73 58 91 18

Adopted at the annual general meeting on
27 June 2025

Christian Vinten

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Management's Statement

The Executive Board and the Board of Directors have today discussed and approved the annual report of INEOS Energy (Syd Arne) ApS for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's Commentary.

We recommend the adoption of the annual report at the annual general meeting.

Virum, 27 June 2025

Executive Board

Mads Weng Gade

Board of Directors

Erik Fantoft Magnesen
Chairman

René Bak Lange
Deputy chairman

Mads Weng Gade

Independent Auditor's Report

To the shareholder of INEOS Energy (Syd Arne) ApS

Opinion

We have audited the financial statements of INEOS Energy (Syd Arne) ApS for the financial year 1 January - 31 December 2024, which comprise the income statement, balance sheet, statement of changes in equity, notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2024 and of the results of its operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements requirements and IESBA Code. We believe that applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and for using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Entity 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 skepticism 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.

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the Financial Statements does not cover Management's commentary, 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 commentary and, in doing so, consider whether Management's commentary 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 commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's commentary.

Copenhagen, 27 June 2025

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Hillebrand

State-Authorised Public Accountant
Identification No (MNE) mne26712

Peter Kyhnauv-Vejgaard

State-Authorised Public Accountant
Identification No (MNE) mne42833

Company Details

The Company

INEOS Energy (Syd Arne) ApS
Teknikerbyen 5, 1.
2830 Virum

Website: www.ineos.com

CVR no.: 73 58 91 18

Reporting period: 1 January - 31 December

Board of Directors

Erik Fantoft Magnesen, Chairman
René Bak Lange, Deputy chairman
Mads Weng Gade

Executive Board

Mads Weng Gade

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Consolidated Financial Statements

The Company is included in the consolidated Financial Statements of INEOS E&P UK Holdings Limited.

The consolidated financial statements of INEOS E&P UK Holdings Limited can be obtained by contacting INEOS E&P A/S or at:

<https://beta.companieshouse.gov.uk/company/SC200459>

Financial Highlights

Key figures

Income statement	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	USD'000	USD'000
Revenue	779,836	806,116	1,104,530	687,514	138,108
Operating profit/loss	-296,811	-886,351	1,388,955	250,778	-91,006
Net financials	33,211	-63,866	14,804	-64,878	-11,061
Net profit/loss for the year	-23,987	-591,950	1,044,290	426,487	-91,592
Balance Sheet (DKKm)					
Total assets	3,543,447	3,203,627	4,711,612	3,571,998	622,705
Investment in property, plant and equipment	129,972	67,797	1,574	1,574	17,599
Equity	858,000	881,987	2,473,939	1,352,514	379,551
Financial ratios					
Return on assets	-8.38%	-27.67%	29.48%	7.02%	-77.70%
Solvency ratio	24.21%	27.53%	52.51%	37.86%	28.80%
Return on equity	-2.76%	-35.28%	54.58%	31.53%	-117.10%
None-financial data					
Average number of employees (FTE's)	0	0	0	47	99

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's Commentary

Main activity

The objects for which the Company is established are investigating and recovering hydrocarbons, and to store, process, transport and trade in hydrocarbons and other relevant energy forms as well as other related products and services.

The Company has an interest of 61.51572% in the 7/89 South Arne license. The production consists primarily of oil. Further, the Company has an interest of 4.7892% in the Solsort development project.

The Company is a 100% owned subsidiary of INEOS E&P A/S.

Financial review

The Company's income statement for the year ending 31 December shows a loss of DKK -24 million including a impairment of 674 million (we refer to note 1), and the balance sheet at 31 December 2024 shows equity of DKK 858 million.

Revenue totaled DKK 780 million, which is DKK 26 million lower than in 2023. The decrease is primarily due to lower oil price and a decrease in production from Syd Arne of 15% in the year compared to 2023. The total production from Syd Arne and Solsort was 4% lower than 2023 due to first oil from Solsort in 2024. EBITDA increased by DKK 126 million to DKK 602 million in 2022. The increase was mainly due lower OPEX offset by a decrease in revenue.

EBIT increased by DKK 594 million to DKK -290 million. The increase is mainly due to an impairment of DKK 674 million compared to an impairment in 2023 of DKK 1,021, lower OPEX spent and lower depreciation.

Loss before tax increase by DKK 691 million to DKK -257 million. The increase is mainly due to the comments above and higher net financial income.

Loss for the year increased by DKK 568 million to DKK 24 million. The decrease is mainly due to the comments above offset by an adjustment of the the deferred tax asset of DKK -298 million compared to DKK 355 million in 2023.

Financial performance for 2024 was as expected beside the impairment of DKK 674 million related to Syd Arne due to a higher reduction in reverses than expected.

Production, operations and development update

Operational performance remained relatively strong in the year with reliability of 98.9% (2023: 93.8%) on our existing operated fields. Sales averaged 3.9 kboe of oil and gas per day (2023: 4.1 kboe per day).

Syd Arne

2024 was the third full year with the Group responsible for the daily running of operations. Uptime of the facilities was very high for the entire year. During the month of June, a planned turnaround was executed successfully by mid-month. The SAE-01 producer well was shut in mid-year due to integrity issues, but was been repaired in February 2025. A conversion of the SA-02 producer well to water injection is planned in 2025.

Execution of the Solsort West Lobe tieback project to the Syd Arne facilities, for processing and export, was completed with first oil in March 2024 and offshore execution was finished by September 2024. Maturation of a Syd Arne infill well in the Ekofisk West Flank area is ongoing with FID targeted in end 2025.

Management's Commentary

Production, operations and development update (continued)

Solsort

The Solsort West Lobe development (execution) was completed by September 2024, after having drilled one oil producer and one water injector well from the Syd Arne North Satellite platform and carrying out minor modifications to the Syd Arne facilities. First oil was achieved by early March 2024 and production performance has been better than expectations. The project was approved by INEOS and the Solsort Partnership in September 2022.

Future outlook

The Company continues to monitor the ongoing Russian military hostilities in Ukraine and now the hostilities in the Middle East that may disrupt or curtail its operations or development activities. The Company is actively monitoring any factors and events that could adversely affect the Company and mitigating measures are implemented where appropriate.

The Company is reviewing its strategy but will continue to pursue growth opportunities through further developments in Denmark.

The Company looks forward to the coming years with optimism in developing near term resources in a safe, reliable and profitable manner.

Based on the uncertainties related to oil prices, the Company expect a result before tax between DKK 50 million and DKK 250 million. Production for 2025 is expected to decrease with 5-15% in 2025 due to natural decline.

Special risks - operating risks and financial risks

Market risks

As the company produces and sells crude oil it is exposed to fluctuating oil prices.

Foreign exchange risks

The operating costs of the company are primarily in DKK and are therefore exposed to currency exchange rate fluctuations.

Environment and safety

INEOS Energy (Syd Arne) ApS aims to be compliant at all times with all Danish EHS Regulations, Corporate EHS Standards and Industry Guidelines and Recommended Practices. The company equally strives to ensure its operations and activities are carried out in a safe and responsible manner with no harm to people or damage to the environment. The company's Occupational Health and Safety Management System is ISO 45001 certified and the Environmental Management system is ISO14001 certified.

Recognition and measurement uncertainties

The recognition of Deferred Tax, Fixed Assets (impairments) and decommissioning liabilities are all subject to a high degree of uncertainty due to the level and nature of assumptions made when estimating the outcome of subsequent events. The assumptions which would change future measurement includes:

- General price development or development in market prices
- Expected useful life of production assets
- Weighted average cost of capital (WACC) and risk free rate
- Exchange rates, etc.
- Development of existing technologies

Management's Commentary

Recognition and measurement uncertainties (continued)

The recognition and measurement of items in the financial statements is not subject to any other significant uncertainty.

Unusual matters

The Company's financial position at 31 December 2024 and the results of its operations for the financial year ended 31 December 2024 has been affected by the unusual matter described below.

During the current financial year, management identified an error in the financial models used to calculate the decommissioning provision. The error related specifically to foreign exchange (FX) rates applied in the underlying assumptions for the financial years ended 2022 and 2023.

The issue arose from the use of a USD FX rate sourced from a third-party provider, which was inconsistent with the internal FX rate ranges approved and utilised by the Company. As a result, the decommissioning provision recognised in the financial statements for 2022 and 2023 was misstated.

The incorrect application of the FX rate impacted both the total liability recognised in relation to the decommissioning provision and the related expense recognised in the consolidated statement of profit or loss. The financial impact of the restatement is summarised in the section restatements under accounting policy. In addition, the comparative figures in the financial highlights have also been restated.

Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Statutory report on corporate governance

Business model

The Company's main activity is exploration and production of oil and gas in the Danish part of the North Sea. Oil and gas are primarily oil sold to refineries in Europe.

A part of our strategy is to transform the business into a leading North Sea oil and gas company in terms of returns and cash generation. Furthermore, we continue to assess other opportunities for value creation, with investments focused on field extensions or build-out near existing producing assets as well as already initiated developments.

Corporate social responsibility

INEOS publishes a group sustainability report in relation to the legal entity INEOS AG, which is prepared in accordance with GRI standards (GRI 1 Foundation 2021) and assured by KPMG. Our 2024 group report is available on our website:

www.ineos.com/globalassets/sustainability/sustainability-reports/ineos_sustainabilityreport_2024_250430.pdf

As a subsidiary of INEOS AG, INEOS Energy (Syd Arne) ApS is included within the reporting boundary of the INEOS group sustainability report.

Group-wide policies include our Code of Conduct, Supplier Code of Conduct, SHEQ policy, 7 Life-saving Rules, 20 Safety Principles, INEOS Group Guidance Notes and ESG procedures. INEOS' climate targets to reduce operational emissions by 33% by 2030 (compared to 2019) and reach net-zero emissions by 2050 also apply at group level, as do our 2025 and 2030 polymer pledges.

Management's Commentary

Human rights

We refer to section 3.2 - 3.2.3 in the INEOS Group sustainability report which is available on our website:

www.ineos.com/globalassets/sustainability/sustainability-reports/ineos_sustainabilityreport_2024_250430.pdf

Anti-Corruption Policy

We refer to section 4.1 - 4.1.3 in the INEOS Group sustainability report which is available on our website:

www.ineos.com/globalassets/sustainability/sustainability-reports/ineos_sustainabilityreport_2024_250430.pdf

Social and employee conditions

We refer to section 3.1 - 3.1.5.4 in the INEOS Group sustainability report which is available on our website:

www.ineos.com/globalassets/sustainability/sustainability-reports/ineos_sustainabilityreport_2024_250430.pdf

Environmental and climate change

We refer to section 2.1 - 2.5.4.2 in the INEOS Group sustainability report which is available on our website:

www.ineos.com/globalassets/sustainability/sustainability-reports/ineos_sustainabilityreport_2024_250430.pdf

Data ethics

INEOS Energy (Syd Arne) ApS has not defined a separate "Data ethics Policy". INEOS Energy (Syd Arne) ApS have defined General Data Protection Policy, Data Breach Policy and Data Retention Policy which defines rules on how data is managed and protected. Any violation of the policy or other internal procedures may be reported by employees through the group's whistleblower system or to the company's Compliance Officer. No report were filed in 2024.

Report on payments to authorities

Pursuant to section 99c of the Danish Financial Statements Act, INEOS E&P A/S is obliged to account for payment authorities. In 2024 INEOS Energy (Syd Arne) ApS haven't made any payments.

Income Statement 1 January - 31 December 2024

	Note	2024 DKK'000	2023 DKK'000
Revenue	2	779,836	806,116
Cost of sales and exploration	5.6	-1,076,305	-1,692,537
Gross profit/(loss)		-296,468	-886,420
Administrative expenses		-343	69
Operating profit/(loss)		-296,811	-886,351
Other operating income	4	6,613	2,317
Profit/loss before financial income and expenses		-290,198	-884,034
Financial income	7	84,269	33,283
Financial expenses	8	-51,058	-97,149
Profit/(loss) before tax		-256,987	-947,900
Tax on profit/loss for the year	9	233,000	355,950
Net profit/(loss) for the year		-23,987	-591,950
Disribution of profit/(loss)	10		

Balance Sheet at 31 December 2024

	Note	2024 DKK'000	2023 DKK'000
Assets			
CO2 quota		106,433	92,455
Intangible assets	11	106,433	92,455
Plant and machinery		1,938,484	2,328,397
Plant and machinery under construction		24,688	74,897
Tangible assets	12	1,963,172	2,403,294
Deferred tax asset		417,000	184,000
Other non-current assets	14	417,000	184,000
Non-current assets		2,486,605	2,679,749
Inventories	13	57,646	40,767
Trade receivables		42,961	124,809
Receivables from group enterprises		945,281	350,250
Other receivables		7,325	3,385
Prepayments	15	3,629	4,667
Current assets		1,056,842	523,878
Cash at bank and in hand		-	-
Current assets		1,056,842	523,878
Assets		3,543,447	3,203,627

Balance Sheet at 31 December 2024

	Note	2024 DKK'000	2023 DKK'000
Liabilities and equity			
Share capital		15,002	15,002
Retained earnings		842,998	866,985
Equity	16	858,000	881,987
Provisions	17	2,492,408	2,120,968
Deferred tax	18	-	-
Non-current liabilities		2,492,408	2,120,968
Provisions	17	54,568	39,664
Trade payables		111,103	77,944
Payables to group enterprises	19	260	1,118
Other payables		27,108	81,946
Current liabilities		193,039	200,672
Liabilities		2,685,447	2,321,640
Liabilities and equity		3,543,447	3,203,627
Uncertainty related to recognition and measurement	1		
Subsequent events	2		
Fee to auditors appointed at the general meeting	20		
Contingent assets, liabilities and other financial obligations	21		
Related parties and group information	22		

Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK'000	DKK'000	DKK'000	DKK'000
2024				
Equity at 1 January	15,002	866,985	-	881,987
Profit for the year	-	-23,987	-	-23,987
Equity at 31 December	15,002	842,998	-	858,000
2023				
Equity at 1 January	15,002	1,381,801	1,000,000	2,396,803
Effect of error in decommissioning calculation	-	77,134	-	77,134
Balance at 1 January - As restated	15,002	1,458,935	1,000,000	2,473,937
Profit for the year	-	-591,950	-	-591,950
Ordinary dividend paid	-	-	-1,000,000	-1,000,000
Equity at 31 December	15,002	866,985	-	881,987

Notes

1 Uncertainty relating to recognition and measurement

Asset impairment test

At year-end 2024 INEOS Energy (Syd Arne) ApS has performed an annual asset impairment test and various sensitivity analysis. Net assets related to the oil and gas activities are tested for impairment if there is any indication of impairment. For assets with a limited lifetime such as oil and gas fields, cash flows are calculated based on forecasts for the entire lifetime of the asset. The determination of the recoverable amount for assets is based on a number of assumptions where estimates are made that are material to the determination. Key assumptions are disclosed by Group (INEOS UK E&P Holdings Limited) in note 9 of the financial statements for INEOS UK E&P Holdings Limited. Based on these assumption and estimate we have recognised an impairment of DKK 674 million for tangible assets cf. note 12.

Decommissioning obligation

The decommissioning obligation is recognised as the present value of the estimated expected obligation regarding to dismantling of the platforms and at the end of the license period in 2032 and 2047.

Management have based the estimate on input from specialist, available market data and industry/historical knowledge including anticipated cost savings resulting from anticipated advances in technology in the future.

The measurement of the asset retirement obligation is subject to uncertainty due to a number of assumptions, including the scope of work required, timing, regulations, costs, and effect of cost savings resulting from anticipated advances in technology.

Management believes the assumptions applied are reasonable and realistic.

2 Subsequent events

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

3 Revenue

Type of goods/services

	2024 DKK'000	2023 DKK'000
Oil	734,079	756,862
Gas	45,757	49,254
Total	779,836	806,116

Geographical information by location of customers

Denmark	45,757	49,027
Rest of EU	469,039	413,379
Rest of world	265,040	343,710
Total	779,836	806,116

Timing of revenue recognition from customers

At a point in time	734,079	757,089
Over time	45,757	49,027
	779,836	806,116

Notes

	2024	2023
	DKK'000	DKK'000
4 Other operating income		
Sale of materials	1,198	1,921
Other	-	396
Compensation - loss of production	5,415	-
	6,613	2,317
5 Cost of sales and exploration		
Production and exploration	184,214	333,040
Depreciation	218,437	338,408
Impairment	673,654	1,021,089
	1,076,305	1,692,537
6 Staff costs		
Wages and salaries	-	-
Pensions	-	-
Other social security expenses	-	-
	-	-
Wages and Salaries, pensions and other social security expenses are recognised in the following items:		
Cost of sales and exploration	-	-
	-	-
Average number of employees (FTE's)	0	0
There is no employees in the company and no remuneration have been paid to the executive Board and the Board of Directors in 2024 or 2023.		
	2024	2023
	DKK'000	DKK'000
7 Financial income		
Interest received from group companies	32,791	30,708
Other financial income	51,478	2,575
	84,269	33,283
8 Financial expenses		
Financial expenses to group companies	287	5,603
Other financial expenses	606	388
Exchange loss	-	42,980
Interest element, provision	50,164	48,178
	51,058	97,149
9 Tax on profit for the year		
Deferred tax for the year	-233,000	-355,950
	-233,000	-355,950

Notes

	2024 DKK'000	2023 DKK'000	
10 Proposed distribution of (profit/loss)			
Retained earnings	-23,987	-591,950	
	-23,987	-591,950	
11 Intangible assets		CO2 quotas DKK'000	
Cost at 1 January		92,455	
Additions for the year		53,642	
Disposal for the year		-39,664	
Cost at 31 December		106,433	
Impairment losses and amortisation at 1 January		-	
Amortisation for the year		-	
Impairment losses and amortisation at 31 December		-	
Carrying value at 31 December		106,433	
12 Property, plant and equipment			
	Plant and machinery	Plant and machinery under construction	Total
	DKK'000	DKK'000	DKK'000
Cost at 1 January	16,648,761	172,836	16,821,597
Effect of error in decommissioning calculation	-41,142		-41,142
Cost at 1 January - as restated	16,607,619	172,836	16,780,455
Additions for the year	123,040	6,932	129,972
Change in decommissioning provision	321,997	-	321,997
Transfers for the year	57,141	-57,141	-
Cost at 31 December	17,109,797	122,627	17,232,424
Impairment losses and depreciatoin at 1 January	14,320,364	97,939	14,418,303
Effect of error in decommissioning calculation	-41,142		-41,142
Impairment losses and depreciatoin at 1 January - as restated	14,279,222	97,939	14,377,161
Depreciation for the year	218,437	-	218,437
Impairment	673,654	-	673,654
Impairment losses and depreciatoin at 31 December	15,171,313	97,939	15,269,252
Carrying amount at 31 December	1,938,484	24,688	1,963,172
Interest expenses recognised as part of cost of assets	-	-	-
	2024 DKK'000	2023 DKK'000	

Notes

	2024	2023
	DKK'000	DKK'000
13 Inventories		
Finished goods and goods for resale	57,646	40,767
	57,646	40,767

14 Deferred tax asset

Deferred tax asset at 1 January	184,000	-
Amounts recognised in the income statement for the year	233,000	184,000
Deferred tax at 31 December	417,000	184,000

INEOS Energy (Syd Arne) ApS has recognized a deferred tax assets of DKK 417 million (2023: DKK 184 million). The basis for the recognition has been the model applied to determine impairment of non-financial assets adjusted for certain items to determine the future estimated taxable income.

There is a non-recognized deferred tax assets of DKK 5,954 million (2023: DKK 6,047 million), which relates partly to unutilised losses DKK 3,654 million (2023: DKK 3,716 million) in hydrocarbon income and partly to timely differences DKK 2,300 million (2023: DKK 2,331 million). It is considered more likely than not, that these losses and timely differences can not be utilised in the future.

15 Prepayments

Prepayments consists of prepaid expenses concerning rent, insurance, subscriptions etc.

16 Equity

The share capital consists of 15,002 shares of a nominal value of DKK 1,000. No shares carry any special rights.

	2024	2023
	DKK'000	DKK'000
17 Provisions		
Balance at 1 January	2,160,632	2,008,624
Effect of error in decommissioning calculation	-	-77,134
Balance at 1 January - as	2,160,632	1,931,490
Provision used during the year	-35,553	-33,543
Provision made / (reversed)	49,734	35,933
Change in estimated, interest and other factors	372,162	226,752
Balance at 31 December	2,546,976	2,160,632
Provsions by category:		
Decommissioning obligations	2,492,408	2,120,968
Other provisions	54,568	39,664
	2,546,976	2,160,632
The expected due dates of other provsions are:		
Within one year	54,568	39,664
Over 5 years	2,492,408	2,120,968
	2,546,976	2,160,632

Notes

17 Provisions (continued)

Provisions comprises of decommissioning obligations relating to demolition and decommissioning of the Company's oil and gas fields, provision for onerous contracts. Decommissioning obligations are measured at the present value of the future liability in respect of decommissioning and restoration as expected at the balance sheet date. The value of the decommissioning provision is recognised in property, plant and equipment and depreciated together with the associated asset. The values of the provision for onerous contracts is recognised in the Income Statement.

	2024	2023
	DKK'000	DKK'000
18 Deferred tax		
Deferred tax asset at 1 January	-	171,950
Amounts recognised in the income statement for the year	-	-171,950
Deferred tax at 31 December	-	-

19 Payables to group enterprises

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2024	2023
	DKK'000	DKK'000
Payables to group enterprises		
Between 1 and 5 years	-	-
Long-term part	-	-
Other short-term debt to group enterprises	260	1,118
	260	1,118

20 Fee to auditors appointed at the general meeting

Deloitte

Audit fee	287	285
Other services	25	23
	312	308

3 Contingent assets, liabilities and other financial obligations

Contingent assets

According to legislation, INEOS Energy (Syd Arne) ApS are liable to pay compensation for any environmental accidents or other types of damage caused by our oil and gas activities, even when there is no proof of negligence (strict liability). We have taken out insurance to cover any such claims.

INEOS Energy (Syd Arne) ApS is taxed jointly with all Danish subsidiaries. As management company, the company has unlimited and joint and several liability together with the other jointly taxed companies for Danish income taxes and withholding taxes on dividends, interest and royalties within the jointly taxed companies.

INEOS Holdings AG has furnished the Danish Ministry for Energy, Utilities and Climate with a guarantee for fulfilment of obligations and liabilities towards the Danish State and third parties incurred by INEOS Energy (Syd Arne) ApS in connection with the company's participation in the Syd Arne exploration and production licence, irrespective of whether the obligations and liabilities rest on INEOS Energy (Syd Arne) ApS alone or jointly and severally with others. The guarantees are not capped, but cannot exceed a sum corresponding to twice INEOS Energy (Syd Arne) ApS's share of each obligation or liability.

Notes

4 Related parties and group information

Transactions with related parties

According to the Danish Financial Statement Act section 98 c transactions with related parties are not disclosed as all transactions have been affected at arm's length.

Group information

INEOS Energy (Syd Arne) ApS immediate parent company is INEOS E&P A/S, Denmark (100 percent ownership). The ultimate parent is INEOS Limited, a company incorporated in the Isle of Man.

INEOS Energy (Syd Arne) ApS is included in the consolidated financial statements prepared by INEOS UK E&P Holdings Limited, United Kingdom.

The consolidated financial statements of INEOS UK E&P Holdings Limited can be obtained by contacting INEOS E&P A/S or at:

<https://beta.companieshouse.gov.uk/company/SC200459>

Accounting policies

Basis of preparation

The annual report of INEOS Energy (Syd Arne) ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C as well as selected provisions of the International Financial Reporting Standards approved by EU.

The annual report for 2024 is presented in Thousand Danish Kroner (DKK '000).

In pursuance of Section 86(4) of the Danish Financial Statements Act, the company has omitted preparing a cash flow statement as the company is included in the cash flow statement of the INEOS UK E&P Holdings Limited.

Restatement

During the current financial year, management identified an error in the financial models used to calculate the decommissioning provision. The error related specifically to foreign exchange (FX) rates applied in the underlying assumptions for the financial years ended 2022 and 2023.

The issue arose from the use of a USD FX rate sourced from a third-party provider, which was inconsistent with the internal FX rate ranges approved and utilised by the Company. As a result, the decommissioning provision recognised in the financial statements for 2022 and 2023 was misstated.

The incorrect application of the FX rate impacted both the total liability recognised in relation to the decommissioning provision and the related expense recognised in the consolidated statement of profit or loss. The financial impact of the restatement is summarised in the table below. In addition, the comparative figures in the financial highlights have also been restated.

	2023	Restate- ment	Restated 2023
	DKK'000	DKK'000	DKK'000
Profit and loss			
Financial expenses	-99,027	1,878	-97,149
Cost of sales and exploration	-1,656,546	-35,991	-1,692,537
Profit before tax	-913,787	-34,113	-947,900
Balance sheet			
Equity	838,967	43,020	881,987
Other provision (non-current liabilities)	2,163,988	-43,020	2,120,968
Liabilities and equity	3,203,627	0	3,203,627

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Accounting policies

Recognition and measurement (continued)

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction.

Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Segment information

Information is provided on business segments and geographical markets. The segment information is provided in consideration of the company's accounting policies, risks and management control.

Revenue

The Company has chosen IFRS 15 as basis of recognition and measurement.

Revenue, which is stated net of value added tax, represents oil and gas products sold to third parties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations.

Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer. For sales resulting from hydrocarbon production, this generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. Revenue resulting from hydrocarbon production from properties in which the Company has an interest with partners in joint arrangements is recognised on the basis of the Company's volumes lifted and sold. Lifting or offtake arrangements for oil and gas produced in certain of the Company's oil and gas properties are such that each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative volume sold less inventory is an "underlift" or "overlift". Underlift and overlift are valued at cost price and included within receivables and payables respectively. Movements during an accounting period are adjusted through cost of sales in the income statement.

Accounting policies

Revenue (continued)

Other income relating to gas production include technical service to third or related parties, and revenue arising from tariffs for third or related parties use of owned pipelines and infrastructure. Tariffs are recognised at the end of the month for pipeline movements during the month and are based on quantity transported through the pipeline.

Cost of sales and exploration

Cost of sales and exploration comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc.

Exploration and development costs

Exploration and development costs are accounted for under the successful efforts method.

Costs of undeveloped oil and gas licenses, including lease bonuses are capitalised.

Exploration expenses, including geological and geophysical expenses and exploratory dry hole costs, are expensed as incurred.

Expenses for development of wells and costs of drilling and equipping productive wells, including development dry holes, and related production facilities are capitalised.

The costs of exploratory wells that find oil and gas reserves are capitalised pending determination of whether proved reserves have been found. In an area requiring major capital expenditure before production can begin, an exploration well is carried as an asset if sufficient reserves are discovered to justify its completion as a production well, and sufficient progress is being made in assessing the reserves and the economic or operational viability of the project. Indicators of sufficient progress in assessing the reserves and the economic and operating viability of a project include commitment of project personnel, active negotiations for sales contracts with customers, negotiations with governments, operators and contractors, firm plans for additional drilling and other factors.

The Company calculates depletion expenses for acquisition costs of proved properties using the units of production method over proved oil and gas reserves. Depreciation and depletion expenses for oil and gas production equipment and wells are calculated using the units of production method over proved developed oil and gas reserves.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including government compensation of fixed cost related to the Covid-19 pandemic.

Financial income and expenses

Financial income and expenses comprise interest as well as realised and unrealised exchange adjustments.

Tax on profit for the year

Tax on profit/loss for the year, consisting of current tax for the year and deferred tax for the year, is recognised in the income statement to the extent that it relates to profit/loss for the year and directly in equity to the extent

Accounting policies

Balance sheet

Tax on profit for the year (continued)

that it relates to entries made directly in equity. The company is subject to the Danish rules on compulsory joint taxation of the INEOS E&P A&S's Danish companies. Subsidiaries are included in the joint taxation from the date they are included in the consolidation in the consolidated financial statements and up to the date on which they are no longer included in the consolidation.

INEOS E&P Energy (Syd Arne) ApS is comprised by the Danish Hydrocarbon taxation Act. Hydrocarbon taxes are recognised under tax on profit/loss for the year. INEOS E&P A/S is the management company responsible for the joint taxation (including carbon tax) and thus settles all payments (including hydrocarbon payments) with the tax authorities.

In connection with the settlement of joint taxation contributions, current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable income. In this connection, Danish subsidiaries with tax losses receive joint taxation contributions from the parent company equivalent to the tax base of the tax losses utilised (full allocation), while companies that utilise tax losses in other Danish companies pay joint taxation contributions to the parent company equivalent to the tax base of the utilised losses.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Intangible assets

CO2 quotas is measured at cost or the recoverable amount, whichever is lower.

Cost includes direct and indirect costs associated with acquisition and implementation up to the date when the asset is ready for use.

Property, plant and equipment

Property, plant and equipment (including plant and machinery under construction) are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the capitalized exploration and development costs including dismantlement costs as described above in the section "Exploration and development costs".

Depreciation based on cost using the successful efforts method. Accordingly, depreciations are recognised over production.

Impairment of fixed assets

The carrying amounts of plant and machinery are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the highest of fair value less cost to sell and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Accounting policies

Inventories

Inventories consist of petroleum. Inventories are valued at the lower of cost and net realisable value. Cost is determined using a weighted average of lifting cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value less provisions for bad debts.

Prepayments

Prepayments comprise expenses concerning rent, insurance premiums, subscriptions and interest incurred regarding subsequent financial years.

Provisions

Decommissioning obligations

The corporation recognises a liability for the fair value of legally required decommissioning obligations associated with long-lived assets in the period in which the decommissioning obligations are incurred. The Corporation capitalises the associated decommissioning costs as part of the carrying amount of the long-lived assets.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Accounting policies

Financial Highlights

Explanation of financial ratios

Return on assets $\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$

Solvency ratio $\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$

Return on equity $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$