Annual Report 2020/21

PL ESG Denmark Co ApS

Egeskovvej 265

DK-7000 Fredericia

CVR no: 41946563

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

23 May 2022

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Ruchir Ashok Kadakia
Chairman

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of PL ESG Denmark Co ApS for the financial year 14 December 2020 – 31 December 2021.

The Annual Report has been prepared in accordance with International Financial Reporting 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 at 31 December 2021 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 14 December 2020 - 31 December 2021.

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, 23 May 2022

Executive Board

Ruchir Ashok Kadakia

Independent Auditor's Report

To the Shareholders 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 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 14 December 2020 to 31 December 2021 in accordance with International Financial Reporting 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 14 December 2020 - 31 December 2021, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, 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 Statement 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 International Financial Reporting 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 judgment 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance 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, 23 May 2022

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	PL ESG Denmark Co ApS Egeskovvej 265 DK-7000 Fredericia CVR no: 41946563 Financial period: 1 January - 31 December First year financial period: 14 December 2020 - 31 December 2021
Executive board	Ruchir Ashok Kadakia
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights for the group

USD millions	**2020/21**
Revenue	1,123.7
Operating profit/loss	19.8
Net financial items	-33.7
Profit before tax	66.1
Net profit/loss for the year	67.0
Proposed dividend for the year	0
Current assets	413.3
Total assets	531.3
Equity	82.4
Current liabilities	448.8
Wages and salaries	14.7
Investments in property, plant and equipment	14.9
Employees	
Average number of employees	243

Please refer to accounting policies for terms and definitions.

The key figures for 2020/21 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 and "PL ESG Denmark Terminal Co APS (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.

The sale of Crossbridge from Royal Dutch Shell plc. ("Shell"), which includes the refining business and local trading activities, was completed on 30 June 2021. The management review, financials and related disclosures are for the period of 1 July 2021 through 31 December 2021 or second half of the year.

Market Development

The international Oil Market in 2021

Refining margins recovered over the course of 2021 as the demand impact stemming from the COVID-19 pandemic abated and special pandemic restrictions previously imposed by the Danish Government were lifted beginning in September 2021. Similar restrictions were lifted elsewhere across Europe and following this trend, resulting in a broad-based demand recovery for oil products. The recovery was briefly affected by the Omicron variant of COVID-19 over the course of November and December, causing an increase in cases reported and a negative impact on our refinery margin.

Dated Brent prices traded from a Q3 average of 73$/bbl, finishing the year with a Q4 average of 80$/bbl. Oil markets also finished in significant backwardation across products, another indicator of supply scarcity and strong demand.

The US dollar exchange rate increased from 6.31 average in Q3 to 6.51 average in Q4.

The Refinery

The Fredericia Refinery ("Refinery") processed 1.4 million tonnes of crude for the second half of 2021. Import of crudes other than Danish Underground Consortium ("DUC") increased to 38% of our total crude slate.

The Refinery executed one planned maintenance outage in September 2021 and had stable operations throughout the remainder of the year, with a 96% rate of availability and regulatory and mechanical downtime of 1%.

Taxation, etc.

The tax in the income statement is based on the result of the half-year. This includes the use of recognized tax losses for prior years. See note 7 and 8 for further tax information.

Employees

The Group had 243 employees (39 women and 204 men) as of 31 December 2021.

We are an organization that provides employees with a wide range of personal and professional development opportunities in a dynamic, diverse and inclusive work environment. The performance bonus scheme not only rewards financial results, but also considers HSSE (Health, Safety, Security and Environmental) performance, customer satisfaction, employee engagement and reputation.

Management's Review (continued)

Employee communication and involvement

Two-way dialogue between management and staff – directly and where appropriate, via employee representative bodies – is important and embedded in the work practices. An annual engagement survey is one of the principal tools used to measure employee engagement. It provides insights into employees' views and has had a consistently high response rate.

Gender Distribution in Leadership Roles

Since the Company consists of only 1 director and no Board of Directors or employees, there are no requirements in respect of gender balance representation.

Corporate Social Responsibility

The Group is in the process of adapting management systems and reporting to be a standalone business since the purchase from Shell. The independent CSR policy is under preparation. At this time, a written policy for managing CSR has not been finalized.

However, the Group works determinedly to comply with occupational health and safety legislation, working conditions, human rights, anti-corruption legislation, environmental requirements as well as climate aspects.

We are committed to operating safely, reliably and in compliance with legal and ethical standards, to act as a fair and equitable partner for all stakeholders-- our employees, customers, suppliers and the communities in which Crossbridge operates; guided by "Crossbridge Energy's business principles", where the 5th principle reads as follows:

"Crossbridge Energy works systematically with health, safety and the environment with the aim of constantly improving results. Therefore, Crossbridge Energy manages these areas in the same way as any other important business activity, and therefore sets standards and goals for improvements as well as measures, assesses and publishes. We are constantly seeking to reduce the environmental impact of our activities, products and services."

Social and staff matters

The human in the green transition

The green transition must not be at the expense of people's standard of living, therefore the question is asked, how can we maintain the standard of living in society, without the disadvantages, such as CO_2 emissions, that oil has previously caused?

Crossbridge delivers approximately 35% of the Danish consumption of fuel, and while fossil fuel is still needed, we must be able to supply it. This does not prevent us from becoming part of the energy transition, as we can work with green hydrogen, different waste streams transformed into Hydrothermal Liquefaction (HTL) Biocrude oil that can be processed and transformed into fuels and CCS (carbon capture and storage). These are three strategies we are pursuing that lead us towards a Co_2 neutral refinery. We aim for Crossbridge to serve as a model for other refineries around the world.

The human at Crossbridge

We value our employees, and we strive to stand-out among the best workplaces in Southern Denmark. As part of Fredericia, the triangle area and the green transition, one of our most important tasks is also to secure jobs in the future. The jobs we have now must also be there in 2035, when the Refinery is climate neutral. We must dare to be part of the transition to secure jobs, but we must also ensure further training and retraining of employees, so they become an active part of the green transition.

Management's Review (continued)

It is management´s assessment the key risks concerning social, and staff matters relate to the ability to attract and retain qualified employees in the future. Further there is always an inherent risk for people at a refinery with high temperatures and pressures. This risk has been mitigated by our safety rules, training and planning which identify and prevent incidents.

Health, Safety, Security and Environment (HSSE)

The Group is committed to Goal Zero Aspiration; no harm and no leaks. In cooperation with the employees each manager is responsible for complying with the agreed safety standards.

The refinery

Risk assessment:

- HAZOP (HAZard and OPerability studies) program running as per plan
- All work executed in production areas are covered by an individual e-Permit to Work that includes a specific risk assessment and further a Last-Minute-Risk-Assessment must be carried out before start of work.

Actions taken in 2021 to mitigate risk:

- Increased focus on change management and team morale during the ownership transition with weekly online coffee-calls
- Weekly safety stand stills discussing safety in relation to incident and near misses to ensure learning
- Focus on risk from dropped objects and hand injury with special focus on line-of-fire
- Keeping the organization healthy during the COVID-19 pandemic

Lost Time Incidents (LTI):

There have been three LTI at the Refinery in 2021, but in the future, we will continue to aspire for Goal Zero.

Environmental and climate conditions

The world of energy is transforming to become more sustainable and neutral to the climate. In the coming years, we will address several challenges to run the Refinery through rapid and sustainable development with the strategic goal of the Refinery achieving CO2-neutrality by 2035 without consequences for people's living standards.

Taking the global climate change into account, it is management's assessment the key environmental risks we face relate to if there are enough sources of feedstock to our production.

Action and performance:

In accordance with the environmental policy, we are focused on energy- and CO2-savings. This has been done by co-processing rapeseed oil into oil products, optimization of production, and participating in research and development projects at Danish universities in search of new economically viable and environmentally sustainable energy sources. Crossbridge has a strategic cooperation with Everfuel on building a large Power-to-X plant next to the Refinery as part of its decarbonization journey.

Management's Review (continued)

In 2021, there has been an increased effort to clear the backlog of cases and the number of open cases has been reduced, including several larger spill cases. The in-situ remediation project for the parking lot pollution is in full operation and the in-situ project on Skanseodden is also progressing as per plan. Renewal of Crossbridge's environmental permit initiated in accordance with the EU mandated "Best available technique REFerence document" (BREF) has been finalized, but the final permit has been appealed by several parties.

The number of environmental non-compliances has been higher than usual. Most of these are related to reliability issues with the temporary steam boilers. In the same period, there have been six verified complaints mainly related to noise in the harbor.

Human right and corruption

Human rights

We respect other people's right to live in dignity. We expect our people to meet others with respect and fairness, and we do not tolerate any form of discrimination or harassment. 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, and we expect our suppliers to do so as well. Therefore, all suppliers are required to sign a statement they comply with applicable laws and regulations, and they do not accept slavery or child labor, neither internally nor with their suppliers. Crossbridge operates in Denmark and is therefore subject to rules and regulations regarding labor laws, health and safety, etc. Our main suppliers operate offshore oil rigs which are subject to strict health and safety regulations. Therefore, the risk for violation of human rights is considered low.

In the future, the Group will continue to require vendors to sign standard clauses regarding compliance with Human Rights, Anti-Bribery and Corruption.

Anti-Bribery and Corruption

We do not pay, nor do we accept bribes under any circumstances. This includes facilitation payments, which are basically just smaller bribes. If you make a payment in situations where you have a reason to genuinely believe that your life, limbs or liberty is at risk, if you do not pay, this is not bribery or a facilitation payment, but it must be reported internally through the same channels as facilitation payments.

Our code of conduct is in its final development and will be published in 2022, which will include policies pertaining to gifts & hospitality, anti-money laundering, anti-trust, trade compliance, conflicts of interest as well as political activity and payments. Management expects this to be the cornerstone of our way of doing business in the future.

Risk of anti-corruption is considered low, as one of the foundational elements is to treat people properly without any unfair prejudice.

Action and performance:

All contracts with vendors contain standard clauses regarding compliance with human rights, anti-bribery and corruption. No instances of non-compliance with the above-mentioned policy were observed in 2021.

Management’s Review (continued)

Research and development

Development activities for the year are comprised of participation in several ongoing projects with Danish universities. The projects are focused on the development of new energy sources. None of the projects are in their final phase.

Research costs are expensed on a current basis. No research activities took place in 2021.

Employees, knowledge resources and research activities

The technological development of energy products continues to gather momentum, and it is our clear objective to be at the forefront of this development to ensure the best solutions for the market. The most important competitive parameter is the technological knowledge, skills and enthusiasm of our employees. Therefore, we continue to invest heavily in staff development at both the employee and management levels as well as technology to be able to meet our customers' need for new energy products.

Data ethics

There currently is no written data ethics policy, as current practices cover the need. However, this does not mean data and the correct handling of data in an ethical way is considered less important. Data ethics are handled as below:

Access to data: All access to data is protected with a username and password. It’s mandatory to change the password regularly. Furthermore, external access to our platforms is protected with two-phase authentication.

ERP: The ERP system is password protected with each user is assigned to specific roles to ensure segregation of duties between the different users and to eliminate the risk of unauthorized access to data. Data is stored according to legal requirements.

Employee data: Necessary data regarding employees is kept in a separate system with limited access.

Customer data: All customers are corporate entities and the information we collect from them is limited to legal requirements to ensure compliance.

GDPR: The Group is in compliance with EU General Data Protection Regulations (GDPR).

Financial review

Net Profit/Loss

Net profit after tax was mUSD 67.0 in 2021. The 2021 result has been negatively impacted by non-cash charges for the fair value adjustment of the embedded derivatives and deferred gain on the contract on the inventory monetization facility, amounting to a loss of mUSD 15.5, positively impacted by bargain purchase of mUSD 82.4.

Revenue and Profit Margins

Crude oil traded on average at 77 USD/Bbl in the second half of 2021.

Profit Margins were 1.77 % in 2021 calculated as gross profit proportionate to revenue.

Costs

Distribution and administration costs were mUSD 9.8 in 2021.

Management's Review (continued)

Distribution of Profit

The Board suggests the net income for the year of mUSD 67.0 is carried forward into next year, leaving a remaining equity balance of mUSD 82.4 at year-end 2021.

Capital Resources and Liquidity

We expect our ongoing sources of capital and cash generated from operations to provide sufficient liquidity to meet short- and long-term capital requirements. Liquidity as of December 31, 2021, was mUSD 22.3 available to fund payroll, maintenance, and other non-working capital expenses. In addition to other lenders, Crossbridge has existing credit facilities with J. Aron & Company LLC ("JANY"), which provides us with working capital liquidity. This includes the JANY Inventory Monetization Facility ("IM Facility") and the Accounts Receivable Revolving Facility Agreement ("AR Facility"). The IM Facility is a volume-based facility to manage working capital requirements associated with the procurement of crude oil, blendstocks and finished products subject to maximum physical quantities of inventory linked to the capacity of the storage tanks rather than a fixed currency limit, providing incremental liquidity to finance crude oil purchases in the event of rising commodity prices. The advancement of funding from the AR Facility is based on the eligible receivables in the borrowing base, providing working capital liquidity associated with the sale of finished products to customers. As of December 31, 2021, we had mUSD 46.6 of available capacity on the AR facility. Based on the expected cash flow developments in 2022 and access to the credit facilities described, the Executive Board consider capital resources and liquidity to be adequate.

Financial Position

In 2021, investments focused on asset integrity improvement projects at the Refinery.

Inventory values were mUSD 167.3 as of December 31, 2021.

Receivables were mUSD 203.8 as of December 31, 2021.

Current liabilities were mUSD 448.8 as of December 31, 2021.

Decommissioning and restoration

In 2020, due to several factors such as the strategic outlook within Shell, expected demand for oil products, the pace of decarbonization and the energy transition, Crossbridge recognized a decommissioning and restoration provision.

New ownership and management have adopted a strategy to actively pursue an energy transition plan commensurate with the acquisition. The updated plans for the Refinery indicate an indefinite life is more appropriate and as such, management has decided to derecognize the provision for decommissioning and restoration as part of the purchase price allocation.

Management's Review (continued)

Prospect and Outlook for 2022

Our top priority remains in conducting our business in a continuously safe and reliable manner.

From a financial perspective, management expects the results to continue to show overall improvement from 2021 as supply and demand imbalances normalize, driving the resurgence of refining margins closer to historical averages as COVID-19 enters an endemic phase and demand for refined products returns to levels seen pre-COVID-19.

According to the International Energy Agency ("IEA") 2022 global refinery runs forecast for Europe (as published in January 2022), refinery throughput is expected to average 11.4 million barrels per day. European diesel prices hit a Covid-era high premium to the North Sea Dated crude benchmark in October 2021.

Consequently, management believes refining margins should be supportive of a more favorable outlook due to improving demand combined with less refining capacity in the market, similar to the conditions experienced during the third and early half of the fourth quarter before Omicron induced reduction in demand occurred. In turn, we expect to generate positive free cash flow from an improved outlook on gross refining margins.

As a final note of caution, the recent invasion of Ukraine and ongoing geopolitical situation with Russia poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact our operations. These events have and continue to impact commodity prices, our supply chain, credit risks, including those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, cash flows and financial condition.

Risk factors

Operational Risks

The significant operational risk factors are:

- Exposure to pricing on the European product market and the crude oil price has a significant effect on refinery operation profit.
- Unscheduled operational shutdowns at the Refinery can lead to adverse financial impact.
- The large holdings of oil products lead to increased risk associated with fluctuations in oil prices. It is our policy not to hedge the risk on the operational stock. It 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) 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 Income statement

for the financial year 14 December 2020 to 31 December 2021

In millions USD	Notes	**2020/21**
Revenue	3	**1.123,7**
Production costs		-1.094,0
Gross profit		**29,7**
Sales and distribution costs		1,7
Administrative costs		-11,5
Operating profit		**19,8**
Bargain purchase gain less transaction costs	18	79,9
Financial income	6	5,8
Financial expenses	6	-39,5
Profit before tax		**66,1**
Tax on profit for the year	7	0,9
Net profit for the year		**67,0**

Consolidated Statement of comprehensive income

for the financial year 14 December 2020 to 31 December 2021

Profit for the year	**67,0**
Other comprehensive income	
Items that may be reclassified to profit or loss	
Net foreign exchange differences recognised in OCI	-9,2
Other comprehensive income for the year, after tax	**-9,2**
Total comprehensive income for the year	**57,8**

Consolidated Balance sheet

as at 31 December 2021

In millions USD	Notes	**2021**
Assets		
Non-current assets		
Intangible assets	9	42,9
Property, plant and equipment	10	53,1
Other non-current assets		22,0
Total non-current assets		118,0
Current assets		
Inventories	11	167,3
Trade receivables	12	203,8
Prepayments		3,4
Other receivables		4,3
Cash related to financing facility		12,2
Cash		22,3
Total current assets		**413,3**
Total assets		**531,3**

Consolidated Balance sheet
as at 31 December 2021

In millions USD	Notes	**2021**
Equity		
Share capital	15	0,0
Translation reserve		-9,2
Retained earnings		91,6
Total equity		**82,4**
Liabilities		
Current liabilities		
Trade payables	12	76,2
Borrowings	12	348,9
Income tax liabilities		0,7
Provisions	17	16,6
Other payables		6,4
Total current liabilities		**448,9**
Total liabilities		**448,9**
Total liabilities and equity		**531,3**

Consolidated Statement of changes in equity

for the year ended 31 December 2021

In millions USD	Share capital	Translation reserve	Retained earnings	Total equity
As at formation 14 December 2020	0,0	0,0	0,0	0,0
Profit for the year	0,0	0,0	67,0	67,0
Other comprehensive income	0,0	-9,2	0,0	-9,2
Total comprehensive income	0,0	-9,2	67,0	57,8
Transactions with owners in their capacity as owners				
Issue of share capital at formation (DKK 40,000)	0,0	0,0	0,0	0,0
Group contribution - non-cash	0,0	0,0	12,2	12,2
Group contribution - cash	0,0	0,0	12,4	12,4
Total transactions with owners	0,0	0,0	24,6	24,6
As at 31 December 2021	**0,0**	**-9,2**	**91,6**	**82,4**

Consolidated Statement of cash flows

for the financial year 14 December 2020 to 31 December 2021

In millions USD	Notes	**2020/21**
Cash flows from operating activities		
Net profit for the year		67,0
Adjustments	14	-26,6
Changes in net working capital	14	-172,0
Interest paid	6	-22,6
Income taxes paid/received		0,0
Net cash inflow (outflow) from operating activities		-154,2
Cash flows from investing activities		
Payments for intangible assets	9	-3,8
Payments for property, plant and equipment	10	-15,0
Payment for acquisition of subsidiary, net of cash acquired		-3,8
Net cash inflow (outflow) from investing activities		-22,6
Cash flows from financing activities		
Repayment of borrowings	14	-981,5
Proceeds from borrowings	14	1.178,8
Group contribution - cash		12,4
Net cash inflow (outflow) from financing activities		209,7
Net increase (decrease) in cash		**32,8**
Cash at the beginning of the financial year		0,0
Effects of exchange rate changes on cash		1,7
Cash at end of year		**34,5**

Contents of the notes to the Consolidated Financial Statements

Contents of the notes to the Consolidated Financial Statements

Note 1 Summary of significant accounting policies

The Consolidated Financial Statements of PL ESG Denmark Co ApS and its subsidiaries ('the Group') for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Executive Board on 23 May 2022.

The Consolidated Financial Statements comprise the first financial year of the Company, ie. 14 December 2020 - 31 December 2021. However, please note that the Group was established as of 1 July 2021 when acquiring Crossbridge Energy A/S.

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements.

Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional the 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 2021 reporting periods and 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.

Principles of consolidation

Subsidiaries

Subsidiaries are all 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.

Contents of the notes to the Consolidated Financial Statements

Note 1 Summary of significant accounting policies

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, and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

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.

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 USD which is the functional currency of the Company.

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.

The results and financial position of foreign 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

Contents of the notes to the Consolidated Financial Statements

Note 1 Summary of significant accounting policies

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. Price adjustments attributable to price changes following delivery are considered embedded oil price linked derivatives. Consequently, revenue is measured based on the average price up until the date of delivery and the subsequent price changes attributable to the embedded oil price derivative are recognized as other revenue.

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 refining for other parties is recognized along with provision of the refining service.

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.

Production costs

Production costs 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 refinery are allocated.

Sales and distribution costs

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

Administrative costs

Administrative costs 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.

Contents of the notes to the Consolidated Financial Statements

Note 1 Summary of significant accounting policies

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 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 assets and liabilities

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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 recognised at historical cost less amortisations. 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.

Contents of the notes to the Consolidated Financial Statements

Note 1 Summary of significant accounting policies

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.

The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price. The cost of goods for resale equals landed cost. The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Note 1 Summary of significant accounting policies

Goods for resale, raw materials and consumables comprise the purchase price plus transportation costs.

The cost price of finished goods comprises the cost of raw materials, consumables, and direct labour plus production overheads. Indirect production overheads comprise indirect materials and wages, maintenance and depreciation of production machinery, plant and equipment as well as administration and management.

Exchange agreements with other oil companies form part of the balance for inventories.

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.

Prepayments

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

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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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.

Borrowings are at initial recognition assessed for non-closely related embedded derivatives such as prepayment options at a price not approximately equal to the amortised cost, in the money interest rate floors and caps etc. Proceeds received from the lender is adjusted for the initial fair value of such non closely related embedded derivative resulting in ad 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.

Contents of the notes to the Consolidated Financial Statements

Note 1 Summary of significant accounting policies

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.

Share based payments

Share-based payment expenses are recognised over the period during which the employees provide the relevant services. The fair value of options granted is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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 of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Provisions

Provisions are recognised when the Group as a result of events occurring before the balance sheet date has a legal or constructive obligation, and 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 at the reporting date. Provisions with an expected maturity exceeding one year from the balance sheet date are discounted using the average bond yield.

Other provisions consist of the obligation to deliver emission rights to cover the yearly emission by the Group, which is measured at the amount that is expected to be required to settle the obligation.

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 deduction, 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.

Translation reserve

The reserve comprises foreign currency translation arising on the translation of net investments and related hedging in entities with a functional currency other than USD. The reserve is dissolved upon disposal of entities.

Contents of the notes to the Consolidated Financial Statements

Note 1 Summary of significant accounting policies

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 share-based payment expenses, 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 as well as payments to and from shareholders.

Cash

Cash comprises cash and bank balances.

Contents of the notes to the Consolidated Financial Statements

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 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 good or as a financing transaction, based on IFRS 15's guidance regarding buyer options to resell the goods. Management has considered that due to the fact that 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, the arrangement is a financing arrangement.

The arrangement is considered a lending arrangement with an embedded commodity price index. Refer to note 13 for disclosure about the embedded derivative outstanding as of 31 December 2021.

Significant estimates

Deferred tax

As of 31 December 2021, the Group has deferred tax assets of mUSD 32.3 arising from tax losses carried forward, of which none has been recognised.

The Group has in addition deferred tax assets arising from temporary deductible differences of mUSD 9.8 to be carried forward of which none has not been recognised in the balance sheet. The Group has acquired a company, that incurred losses in recent years. The losses can be carried forward indefinitely and have no expiration date.

Recognition of deferred tax assets requires that it is probable that future taxable profits are available against which the unused tax losses can be utilised. As Crossbridge has a history of making taxable losses, IAS 12 Income Taxes further requires that convincing evidence is available to support Management's assessment that sufficient taxable profits will be available in the future. Even though the approved budget and business plan show that the Group will be generating taxable profits in the foreseeable future, Management has concluded that it will not be able to meet the strict criteria in IAS 12 to provide 'convincing evidence', as the budget and business plan are sensitive to to the outlook on refining margins, throughput and utilization rates and overall cash flows expected to be generated from free cash flows in an environment where demand has not recovered from pre-COVID-19 levels. Consequently, the deferred tax asset of mUSD 42.1 has not been recognised.

Contents of the notes to the Consolidated Financial Statements

Note 2 Critical estimates and judgements

Decommissioning and restoration provision

Following the acquisition of Crossbridge Energy A/S in 2021, Management has established a new long-term strategic plan. This plan focuses on transforming the refinery by shifting to new renewable feedstocks and business opportunities. Therefore, Management has decided not to recognise a decommissioning and restoration provision as part of the acquisition, since an indefinite lifetime of the refinery operation is assessed.

Purchase price allocation

In applying the acquisition method of IFRS 3, estimates are an integral part of assessing fair values of several identifiable assets acquired and liabilities assumed, as observable market prices are typically not available.

Valuation techniques where estimates are applied typically relate to determining the present value of future uncertain cash flows or assessing other events in which the outcome is uncertain at the date of acquisition.

More significant estimates are typically applied in accounting for property, plant and equipment, favourable contracts, customer relationships, trade receivables, debt and contingent liabilities. As a result of the uncertainties inherent in fair value estimation, measurement period adjustments may be applied.

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Note 3 Revenue

Disaggregation of revenue from contracts with customers

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

In millions USD	**2020/21**
Sale of energy and oil products at the Danish market	573,4
Export of oil products	550,3
Other revenue from related activities	0,0
	1.123,7

The Group recognises, in all material aspect, its revenue at a point in time.

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.

Contents of the notes to the Consolidated Financial Statements

Note 4 Staff costs

In millions USD	**2020/21**
Wages and salaries	14,7
Pension cost, defined contribution plans	1,3
Other social security costs	0,0
	16,0
Average number of employees	243

Crossbridge Energy A/S has granted an equity settled share-based programme to all employees employed in Crossbridge Energy A/S upon acquisition totaling 12,850 shares to be released in June 2022.

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 2.0 has been paid during the period to ESG Energy Partners LLC for key management services.

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

Contents of the notes to the Consolidated Financial Statements

Note 5 Depreciation, amortisation and impairment

In millions USD	**2020/21**
Depreciation and amortisation	
Depreciation of land and buildings	1,1
Depreciation of technical installation and machinery	4,3
Depreciation of operating equipment and fixtures	2,5
Amortisation of favorable agreements	0,8
	8,7
Total depreciation, amortisation and impairment	**8,7**

Note 6 Financial income and expenses

In millions USD	**2020/21**
Financial income	
Fair value adjustment of embedded derivatives	3,0
Foreign exchange rate gains	2,8
Total financial income	**5,8**
Financial expenses	
Interest expenses on borrowings	30,7
Exchange rate losses	8,8
Total financial expenses	**39,5**
Total interest expense related to financial liabilities not at fair value through profit or loss	30,7

Contents of the notes to the Consolidated Financial Statements

Note 7 Income tax expense

In millions USD	**2020/21**
Current tax	
Current tax on profits for the year	0,9
Adjustments for current tax of prior periods	0,0
Deferred income tax	0,0
Income tax expense	**0,9**

In millions USD	**2020/21**	**%**
Reconciliation of effective tax rate		
Tax at the Danish tax rate of 22%	14,5	22,0%
Tax effects of amounts which are not deductible (taxable)		
in calculating taxable income:		
Bargain purchase - non-taxable	-13,4	-20,3%
Non-deductible expenses	0,6	0,9%
Interest limitiation	5,1	7,8%
Other adjustments	-6,0	-9,1%
Adjustments for current tax of prior periods	0,0	0.0%
Income tax expense	**0,9**	**1.3%**

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Note 8 Deferred tax

In millions USD	**2021**
Deferred tax	
Deferred tax at the beginning of period	0,0
Deferred tax recognised in the statement of profit or loss	0,0
Deferred tax at year end	**0,0**
Deferred tax relates to:	
Property, plant and equipment	14,9
Intangible assets	-7,2
Tax losses carried forward	32,3
Other	2,1
Total	**42,1**
Deferred tax asset, recognised	**0,0**
Deferred tax asset not recognised in the balance sheet	42,1

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 2021, the Group has deferred tax assets of mUSD 42.1, which has not been recognised in the balance sheet. The deferred tax asset includes tax loss carryforwards of mUSD 146.7, representing a tax value of mUSD 32.3. There is no expiration date on the tax loss carried forward. Due to uncertainties regarding future utilisation, Management has decided not to recognise the deferred tax assets.

Contents of the notes to the Consolidated Financial Statements

Note 9 Intangible assets

In millions USD	Favorable agreements	Purchased emission rights	**Total**
Costs:			
At 14 December 2020	0,0	0,0	**0,0**
Acquired through business combinations	33,6	6,3	**39,9**
Additions	0,0	3,8	**3,8**
Disposals/settlements	0,0	0,0	**0,0**
At 31 December 2021	33,6	10,1	**43,7**
Accumulated amortisation and impairment:			
At 14 December 2020	0,0	0,0	**0,0**
Amortisation charge	-0,8	0,0	**-0,8**
Disposals	0,0	0,0	**0,0**
At 31 December 2021	-0,8	0,0	**-0,8**
Carrying amount at 31 December 2021	**32,8**	**10,1**	**42,9**

No amortisations charge has been recognised for the emission certificates for 2021 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 19 years and six months.

Contents of the notes to the Consolidated Financial Statements

Note 10 Property, plant and equipment

In millions USD	Land and buildings	Technical installation and machinery	Operating equipment and fixtures	Assets under construction	Total
Cost:					
At 14 December 2020	0,0	0,0	0,0	0,0	0,0
Acquired through business combination	5,3	21,4	12,3	7,0	46,0
Additions	2,1	8,2	4,7	0,0	15,0
At 31 December 2021	7,4	29,6	17,0	7,0	61,0
Accumulated depreciation and impairment:					
At 14 December 2020	0,0	0,0	0,0	0,0	0,0
Depreciation charge	-1,1	-4,3	-2,5	0,0	-7,9
At 31 December 2021	-1,1	-4,3	-2,5	0,0	-7,9
Carrying amount 31 December 2021	**6,3**	**25,3**	**14,5**	**7,0**	**53,1**

As per 31 December 2021 the Group has no capital commitments related to property, plant and equipment.

Note 11 Inventory

Inventory

In millions USD	**2021**
Raw materials and consumables	47,9
Finished goods and trading goods	119,4
	167,3

Inventories recognised as an expense during the year ended 31 December 2021 amounted to mUSD 1,049.

Note 12 Financial assets and financial liabilities

The Group holds the following financial instruments:

In millions USD	**2021**
Financial assets	
Financial assets at amortised cost:	
Trade receivables	203,8
Other non-current assets	22,0
Cash related to financing facility	12,2
Cash	22,3
	260,3
Financial assets at fair value:	
Embedded derivative asset included in Borrowings	5,9
	5,9
Financial liabilities	
Liabilities at amortised cost:	
Borrowings	354,8
Trade payables	76,2
	430,9

The Group's exposure to various risks associated with the financial instruments is discussed in note 13.

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 note materially different from their carrying amounts since the interest payable on those borrowings is close to current market rates.

Borrowings

		2021	
In millions USD	Current	Non-current	Total
Borrowings	354,8	0,0	**354,8**
Embedded derivative	-5,9	0,0	**-5,9**
	348,9	0,0	**348,9**

	Fixed/ variable	Interest level	Carrying amount	Expire date	Currency
Seller financing	Variable	5.0% plus LIBOR	42,8	30-06-2026	USD
Accounts receivable facility	Variable	5.0% plus LIBOR unused of 1.25%	165,2	30-06-2024	USD
Inventory monetisation facility	Variable	5.95% plus monthly SOFR*	140,8	30-06-2024	USD

Note 12 Financial assets and financial liabilities

USD London Interbank Offered Rate (LIBOR) is the most significant IBOR for the Group. The IBOR exposure pertains to the seller financing which consists of a non-derivative financial liability with the principal amount of mUSD 42.8 as per 31 December 2021. IBOR exposure also pertains to the AR Facility which consists of a non-derivative financial liability with the principal amount of mUSD 152.9 as per 31 December 2021.

The Group has benchmark rate replacement clauses for all financing facilities with IBOR exposure.

Inventory and repurchase facility

Pursuant to the Inventory Monetization Agreement, the “IM facility”, J. Aron purchased 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 will retain these storage rights throughout the term of the agreement.

On an ongoing basis, J.Aron will continue to purchase and hold title to the JANY Inventory as it is purchased or produced by the Refinery upon delivery into the Storage Tanks. The JANY Inventory is sold back to the Group as it is discharged out of the Storage Tanks. These ongoing purchases and sales are net-settled daily and trued-up at month end to the corresponding calendar month average indices.

Though title to the JANY Inventory resides with J.Aron, accounting treatment for the IM Facility is analogous to a product financing arrangement; 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 was recorded as a liability at fair value and 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, we are obligated to repurchase the crude oil and refined products from J.Aron at the termination of the agreement. We consider the repurchase obligation 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 prices.

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.

Accounts receivable facility

Under the accounts receivable facility, the Group can draw down subject to transferring trade receivables to the lender with a nominal amount of 82.5 % as collateral. As of 31 December 2021, the Group had drawn down mUSD 185.1 and transferred trade receivables in the amount of mUSD 152.7.

The Group has retained late payment and credit risk. Therefore, the Group continues to recognise the transferred assets in their entirety in its balance sheet. The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

As part of the facility the Group receives payments to a bank account which cannot be accessed before a release notice is given. Release notes are normally provided from day to day. Consequently, balances on these accounts as per 31 December 2021 are classified as Cash related to financing facility.

Note 12 Financial assets and financial liabilities

Seller financing facility

As part of the change in ownership the seller provided a term loan.

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 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.

Contents of the notes to the Consolidated Financial Statements

Note 13 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 12.

At 31 December 2021, the carrying amount of the Group's interest-bearing debt with a floating interest rate is mUSD 159.3. During 2021 the Group's borrowings at variable rate 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 as a result of variable rate borrowings under our revolving credit facilities. To the extent that interest rates increase, interest expense for these revolving credit facilities will also increase. As of 31 December 2021, the Group has not entered into any interest rate hedging agreements but will continue to monitor our interest rate exposure.

Sensitivity analysis

A reasonably possible change in the market rates of interest 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 millions USD	**2021**
	Impact on post tax profit and equity
Interest rates - increase by 100 basis points	-2,9
Interest rates - decrease by 100 basis points	0,8

Note 13 Financial risk management

The sensitivity analysis is based on the assumption that all other variables and exposures remains constant. The impact on post tax profit and equity is based on those financial instruments that were recognised at the respective balance sheet dates. The sensitivity analysis does not consider 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 12, the Group's borrowings and credit facilities are denominated in USD and EUR.

As of 31 December 2021, 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 related to Crossbridge Energy A/S' activities in Denmark is insignificant. It is the Group's policy not to hedge its exposure to DKK/USD exchange rates.

Sensitivity analysis

A reasonably possible change in the DKK/USD exchange rate 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 millions USD	**2021**
	Impact on post tax profit and equity
DKK/USD - increase by 5 %	-1,9
DKK/USD - decrease by 5 %	1,9

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

Oil price risk

As discussed in note 12, the inventory financing arrangement comprises an embedded crude oil price linked derivative.

As of 31 December 2021, the inventory subject to the repurchase obligation amount to 698,237 bbls. The repurchase obligation is due June 2024 and was adjusted to fair value at year end using third party commodity pricing indices.

The prices of crude oil and other feedstocks, and the relationship or margin between our feedstocks and refined and finished products materially affect profitability and are dependent upon many factors that are beyond the Group's control.

Contents of the notes to the Consolidated Financial Statements

Note 13 Financial risk management

An increase or decrease in Group's average gross refining margin per barrel of 5% could result in an impact of mUSD 3.3 on post tax profit and equity.

Sensitivity analysis

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

In millions USD	**2021**
	Impact on post tax profit and equity
Oil price - increase by 10 %	-2,1
Oil price - decrease by 10 %	2,1

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 7 days after invoice date and are therefore all classified as current.

The customers do normally have a high credit quality. As of 31 December 2021, the Group's trade receivables amount to mUSD 203.8.

It is the Group's policy to use guarantees from customers parent and if that does not provide sufficient security, prepayment will be required from the customer.

In general, all customers will be assessed minimum twice a year and to reduce the credit risk from new customer relationships, 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.

The Group has not incurred any material losses from trade receivables. At the reporting date, Management has considered forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables and have adjusted the historic loss rates accordingly.

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. Consequently, the Group's allowance for expected credit losses from its trade receivables, 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 2021, deposits with banks amounted to mUSD 22.3. To mitigate this risk, it is the Group's policy only to use banks of high quality and with low credit risk.

Contents of the notes to the Consolidated Financial Statements

Note 13 Financial risk management

Concentration of credit risk

The Group has identified a concentration of risk on receivables from few separate customers within the oil sector. Concentration of credit risk is implied in the nature of a few customers since the impact of a potential default of a single customer will be significant for the Group. As per 31 December 2021, trade receivables relating to the 3 largest costumers amounted to mUSD 106.7.

Liquidity risk

We expect our ongoing sources of capital and cash generated from operations to provide sufficient liquidity to meet our short- and long-term capital requirements. Our liquidity as of December 31, 2021, was mUSD 22.2 available to fund payroll, maintenance, and other nonworking capital expenses. In addition, we have existing credit facilities with J. Aron & Group LLC ("JANY"), in addition to other lenders, that provide us with working capital liquidity, which includes the JANY Inventory Monetization Facility ("IM Facility") and the Accounts Receivable Revolving Facility Agreement ("AR Facility"). The IM Facility is a volume-based facility to manage our working capital requirements associated with the procurement of crude oil, blend stocks and finished products that is subject to maximum physical quantities of inventory linked to the capacity of the storage tanks rather than a fixed currency limit, providing incremental liquidity to finance crude oil purchases in the event of rising commodity prices. The advancement of funding from the AR Facility is based on the amount of eligible receivables in the borrowing base, providing working capital liquidity associated with the sale of finished products to customers. As of 31 December 2021, we had mUSD 46.6 of available capacity on the AR facility. In addition, the Group has a balance of mUSD 12.3 in cash related to financing facility. Based on the Group's expected cash flow developments in 2022 and access to the credit facilities described, the Group's 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 significant.

Contractual maturities of financial liabilities	< 1 year	1 - 2 years	2 - 5 years	> 5 years	Total contractual cash flows	Carrying amount
At 31 December 2021						
Trade payables	76,2	0,0	0,0	0,0	76,2	76,2
Borrowings	348,9	0,0	0,0	0,0	348,9	348,9
	425,0	**0,0**	**0,0**	**0,0**	**425,0**	**425,0**

Contents of the notes to the Consolidated Financial Statements

Note 14 Cash flow specifications

In millions USD	**2020/21**
Adjustments	
Financial income	-6,0
Financial expenses	39,5
Depreciation, amortisation and impairment charges	8,4
Received group contribution - non-cash settlement of expenses	12,3
Bargain purchase gain	-82,4
Other adjustments	1,5
	-26,6
Changes in net working capital	
Change in inventories	-48,2
Change in receivables	5,4
Change in trade payables	-129,2
	-172,0

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 millions USD	Borrowings
At 14 December 2020	0,0
Borrowings acquired through business combinations	-123,0
Cash flows	-197,3
Fair value adjustment of embedded derivative	5,9
Other changes including FX	-34,5
At 31 December 2021	-348,9

Note 15 Share capital

	2021	
	Number of shares	Nominal value USD
The share capital comprises:		
Ordinary shares at 14 December 2020	40.000	6.537
Ordinary shares at 31 December 2021	**40.000**	**6.537**

No shares carry any special rights. All shares are fully paid.
The share capital is denominated in DKK amounting to DKK 40,000.

	2021
	USD per share
Total dividend paid out for the year	0,0
Total dividend proposed for the year	0,0

Note 16 Capital management

The Group's objectives when managing capital are to:
- 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
- maintain an optimal capital structure to reduce the cost of capital.

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

The Group is capital-intensive, and their funding strategy is directed at establishing and maintaining an optimal financing structure which supports the Group's objectives, while meeting the agreed financial debt covenants and other requirements with its capital providers. During 2021, the Group complied with financial debt covenants. The Group monitors its capital needs by forecasting cash flows, effective working capital & credit risk management, and by assessing operating performance of its gross margin profitability. In addition, the parent company of the Group is committed to ensuring the long-term growth of the Group.

Note 17 Provisions

Provisions

	2021		
In millions USD	Current	Non-current	Total
Environmental obligation	4,6	0,0	**4,6**
Other provisions	12,0	0,0	**12,0**
	16,6	0,0	**16,6**

The environmental obligation consists of several spillages which have occurred during the recent year. All provisions undergo a review on a monthly basis.

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

In millions USD	Environ-mental obligation	Other provisions	Total
At 14 December 2020	0,0	0,0	0,0
Aqcuired through business combination	4,0	11,9	15,9
Charged to profit and loss			
- Additional provision recognised	7,4	4,5	11,8
- Unused amounts reversed	0,0	-4,4	-4,4
Amounts used during the year	-6,7	0,0	-6,7
At 31 December 2021	4,7	12,0	16,6

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

Contents of the notes to the Consolidated Financial Statements

Note 18 Business combinations

Summary of acquisition

On 1 July 2021, PL ESG Denmark Co ApS acquired 100% of the issued share capital of Crossbridge Energy A/S (former A/S Dansk Shell).

The acquired company's core business activity is comprised of crude oil refining and sales of refined products to the domestic market and to Northern European countries. The acquisition provides the Group with an opportunity to transform the refinery via commercial optimization, asset improvement and investment addressing historical deferred capital in addition to transformative projects. The refinery will continue to provide energy security to the greater Jutland and surrounding Danish regions by producing hydrocarbon fuels. Further, the refinery provides the Group with future opportunities to increase production of sustainable fuels and evaluate/implement initiatives that will lower the carbon footprint of the refinery.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

In millions USD	
Purchase consideration	
Cash consideration	5,8
	5,8

The assets and liabilities recognised as a result of the acquisition are as follows:

In millions USD	**Fair value**
Intangible assets	39,9
Property, plant and equipment	46,0
Inventories	124,6
Trade receivables	145,0
Prepayments	4,0
Other receivables	95,0
Cash	1,9
Trade payables	-224,0
Income tax liabilities	0,0
Provisions	-15,9
Debt to previous owners	-123,2
Other payables	-5,3
Net identifiable assets acquired	88,1
Bargain purchase	82,4
Net assets acquired	5,7

Gain on Bargain Purchase: The Group recorded a gain on bargain purchase, net of deferred taxes, of mUSD 82.4 during 2021 related to our acquisition of Crossbridge Energy A/S. The gain on bargain purchase, net of deferred taxes, resulted from the excess of the net fair value of the assets acquired and liabilities assumed in the acquisition over the respective purchase price. Management believe that they were able to negotiate a bargain purchase price as a result of Crossbridge Energy A/S being a stranded asset for the seller in the country of Denmark, in addition to unprecedented demand destruction for refined products stemming from the COVID-19 pandemic, resulting in depressed valuations for such assets.

Note 18 Business combinations

Acquisition-related costs

Acquisition-related costs of mUSD 2.4 that were not directly attributable to the issue of shares are included in bargain purchase gain in the income statement and in operating cash flows in the statement of cash flows.

Acquired receivables

The fair value of acquired trade receivables is mUSD 145.0 approximating its gross contractual amount. For other receivables the gross contractual amount is approximating its fair value.

Revenue and profit contribution

The acquired business contributed revenues of mUSD 1,123.7 and net profit of mUSD 67.0 to the group for the period from 1 July 2021 to 31 December 2021, including a bargain purchase gain of mUSD 82.3. If the acquisition had occurred on 14 December 2020, consolidated pro-forma revenue and profit for the year ended 31 December 2021 would have been mUSD 2,007.1 and mUSD 26.6 respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the Group and the Subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustment to property, plant and equipment, intangible assets and bargain gain had been applied from 14 December 2020, together with consequential tax effects.

Purchase consideration

In millions USD	**2020/21**
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	5,8
	5,8
Less: balances acquired	
Cash	1,9
Net outflow of cash - investing activities	**3,8**

Contents of the 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 **2021**
Crossbridge Energy A/S	Fredericia	100%
PL ESG Denmark Co Terminal ApS	Fredericia	100%

Note 20 Related party transactions

The Group is controlled by the following entity:

Name of entity	Type	Place of business	Ownership interests **2021**
Postlane Capital Partners, LLC	Ultimate parent company	United States of America	100%
ESG Energy Partners LLC	Principal shareholder	United States of America	100%

Information about remuneration to key management personnel has been disclosed in note 5.

Transactions with related parties

In millions USD	**2020/21**
The following transactions occurred with related parties:	
Transactions with parent companies	
Purchase of management services from ESG Energy Partners LLC	-2,0
Group contribution	
Cash	12,4
Non-cash	12,2

Non-cash group contribution consists of costs related to acquisition of Crossbridge Energy A/S and the borrowing facilities.

Contents of the 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 group entities and is jointly and severally with other jointly taxed group entities liable for payment of income taxes as well as dividends falling due for payment.

Assets pledged as security

Corporate mortgage amounting to mUSD 341.0, gives the Group's bank pledges in Inventory, Accounts receivable, Technical installations and machinery, Operating equipment and fixtures as well as other immaterial assets to a combined carrying amount of mUSD 504.5.

Please refer to note 12 for further description of the terms and conditions for the financing facilities for trade receivables and inventory and to note 23 for information on the shares of Crossbridge Energy A/S pledged as security for the accounts receivables facility.

Note 22 Fee to auditors appointed at the general meeting

In millions USD	**2020/21**
PricewaterhouseCoopers	
Audit fee	0,2
Other assurance services	0,0
Tax advisory services	0,0
Other services	0,0
	0,2

Note 23 Subsequent events

Russia’s recent invasion of Ukraine poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact our operations. These events have and continue to impact commodity prices, our supply chain, credit risks including those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, cash flows and financial condition.

On March 7, 2022, Crossbridge Energy A/S obtained an increase in the limit on its accounts receivable facility by mUSD 30.0, bringing the total facility to mUSD 230.0. In connection with this loan modification, the shares in Crossbridge Energy A/S were pledged as security. All other terms of the agreement remain substantially unchanged.

No other events after the balance sheet date has affected the balance sheet as of 31 December 2021.

Parent Company Financial Statements

Income statement

for the financial year 14 December 2020 to 31 December 2021

In millions USD	Notes	**2020/21**
Administrative costs		-2,4
Operating loss		**-2,4**
Share of profit after tax in subsidiaries	5	69,4
Profit before tax		**67,0**
Tax on profit for the year	3	0,0
Net profit for the year		**67,0**

Statement of comprehensive income

for the financial year 14 December 2020 to 31 December 2021

Profit for the year	**67,0**
Other comprehensive income	
Items that may be reclassified to profit or loss	
Net foreign exchange differences	-9,2
Other comprehensive income for the year, after tax	**-9,2**
Total comprehensive income for the year	**57,8**

Balance sheet
as at 31 December 2021

In millions USD	Notes	**2021**
Assets		
Non-current assets		
Investments in subsidiaries	5	82,4
Total non-current assets		**82,4**
Current assets		
Cash		0,0
Total current assets		**0,0**
Total assets		**82,4**
Equity		
Share capital		0,0
Reserve for net revaluation according to the equity method		54,4
Retained earnings		28,0
Total equity		**82,4**
Liabilities		
Current liabilities		
Trade payables		0,0
Total current liabilities		**0,0**
Total liabilities		**0,0**
Total liabilities and equity		**82,4**

Statement of changes in equity

for the year ended 31 December 2021

In millions USD	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
As at formation 14 December 2020	0,0	0,0	0,0	0,0
Profit for the year	0,0	63,6	3,4	67,0
Other comprehensive income	0,0	-9,2	0,0	-9,2
Total comprehensive income	0,0	54,4	3,4	57,8
Transactions with owners in their capacity as owners				
Issue of share capital at formation (DKK 40,000)	0,0	0,0	0,0	0,0
Group contribution - non-cash	0,0	0,0	12,2	12,2
Group contribution - cash	0,0	0,0	12,4	12,4
Total transactions with owners	0,0	0,0	24,6	24,6
As at 31 December 2021	**0,0**	**54,4**	**28,0**	**82,4**

Statement of cash flows

for the financial year 14 December 2020 to 31 December 2021

In millions USD	Notes	**2020/21**
Cash flows from operating activities		
Net loss for the year		67,0
Adjustment for share of profit in subsidiaries		-69,4
Adjustment for non-cash administrative costs		2,4
Changes in net working capital		0,0
Interest paid		0,0
Net cash inflow (outflow) from operating activities		0,0
Cash flows from investing activities		
Cash consideration for acquiring subsidiaries		-5,8
Contribution to subsidiaries		-12,4
Dividends received		5,8
Net cash inflow (outflow) from investing activities		-12,4
Cash flows from financing activities		
Group contribution		12,4
Net cash inflow (outflow) from financing activities		12,4
Net increase (decrease) in cash		**0,0**
Cash at the beginning of the financial year		0,0
Effects of exchange rate changes on cash		0,0
Cash at end of year		**0,0**

Contents of the notes to the Company Financial Statements

Contents of the notes to the 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.

The Financial Statements of the Parent Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional the Danish disclosure requirements applying to entities of reporting class C for medium 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 2021 reporting periods and 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.

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

Investments in subsidiaries

Under the equity method of accounting, the investments are initially recognised at cost including consideration and capital contributions with addition of transaction costs 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.

Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An equity reserve for net revaluation according to the equity method arising on the translation of net investments arises when the value of the investments of subsidiaries are adjusted for profit and losses. The reserve is dissolved upon disposal of entities.

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.

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 2021, as Management considers the cost price of newly acquired company as a measure for the fair value of the investment and no impairment indicators were identified.

Contents of the notes to the Parent Financial Statements

Note 3 Income tax expense

In millions USD	**2020/21**
Current tax	
Current tax on profits for the year	0,0
Adjustments for current tax of prior periods	0,0
Deferred income tax	0,0
Income tax expense	**0,0**

In millions USD	**2020/21**	**%**
Reconciliation of effective tax rate		
Tax at the Danish tax rate of 22%	-14,7	22,0%
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Share of profit in subsidiaries	15,3	-22,8%
Deferred tax, not recognised	-0,5	0,8%
Non-deductible expenses	0,0	0.0%
Income tax expense	**-0,0**	**0,0%**

Contents of the notes to the Parent Financial Statements

Note 4 Deferred tax

In millions USD	**2021**
Deferred tax	
Deferred tax at the beginning of period	0,0
Deferred tax recognised in the statement of profit or loss	0,0
Deferred tax at year end	**0,0**
Deferred tax relates to:	
Tax losses carried forward	0,5
Other	0,0
Total	**0,5**
Deferred tax asset, recognised	**0,0**
Deferred tax asset not recognised in the balance sheet	0,5

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

As of 31 December 2021, The Company has a deferred tax assets of mUSD 0.5, which has not been recognised in the balance sheet. The deferred tax asset includes tax loss carryforwards of mUSD 2.4. There is no expiration date on the tax loss carried forward. Due to uncertainties regarding future utilisation, Management has decided not to recognise the deferred tax assets.

Note 5 Investments in subsidiaries

In millions USD	Total
Costs:	
At 14 December 2020	0,0
Cost at acquisition	5,8
Capital contribution	22,2
At 31 December 2021	**28,0**
Value adjustments:	
At 14 December 2020	0,0
Bargain gain	82,4
Foreign exchange adjustments	-9,2
Share of loss for the year	-13,0
Dividends received	-5,8
At 31 December 2021	**54,4**
Carrying amount at 31 December 2021	**82,4**

Please refer to note 19 of the Consolidated Financial Statements for information on investments in subsidiaries and to note 18 of the Consolidated Financial Statements for further information on the business combination.

Contents of the notes to the Parent Financial Statements

Note 6 Financial risk management

Exposure to financial risk is an embedded part of doing business. However, due to the limited activities of the Parent Company, its exposure to financial risks are insignificant.

Financial risks of the Parent Company are handled within the risk management processes and framework of the Group. Please refer to note 13 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.

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

Transactions with related parties

In millions USD	**2020/21**
The following transactions occurred with related parties:	
Transactions with parent companies	
Group contribution (cash)	12,4
Group contribution (non-cash)	12,2

During the reporting period, a non-cash group contribution of mUSD 12.2 related to expenses paid by a parent company has been contributed to the Company.

Transactions with subsidiaries	
Group contribution (cash)	12,4
Group contribution (non-cash)	9,8
Dividends received	5,8

Note 8 Share capital

Please refer to note 15 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 16 of the Consolidated Financial Statements for further description of capital management.

Contents of the notes to the Parent Financial Statements

Note 10 Contingent liabilities and assets pledged as security

Contingent liabilities

The Parent Company is jointly taxed with other danish group entities and is jointly and severally with other jointly taxed group entities liable for payment of income taxes as well as dividends falling due for payment.

Please refer to note 12 for information on the shares of Crossbridge Energy A/S pledged as security for the accounts receivables facility.

Note 11 Fee to auditors appointed at the general meeting

In accordance with the Danish Financial Statements Act section 96 (3) fee to auditors appointed at the general meeting has not been disclosed. Refer to note 22 in the Consolidated Financial Statements for a specification of these amounts.

Note 12 Subsequent events

Russia's recent invasion of Ukraine poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact the operations of subsidiaries. These events have and continue to impact commodity prices, our supply chain, credit risks including those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, cash flows and financial condition.

On March 7, 2022, Crossbridge Energy A/S obtained an increase in the limit on its accounts receivable facility by mUSD 30.0, bringing the total facility to mUSD 230.0. In connection with this loan modification, the shares in Crossbridge Energy A/S were pledged as security. All other terms of the agreement remain substantially unchanged.

No other events after the balance sheet date has affected the balance sheet as of 31 December 2021.