

## **Report of the Independent Auditor**

on the Consolidated Financial Statements 2024 in accordance with

International Financial Reporting Standards (IFRS) of

**Eurybia AG, CH-Steinhausen**

### **knowing you.**

a&o kreston audit ag  
Bändliweg 20  
8048 Zürich  
+41 (0)58 101 02 02  
[www.kreston.ch](http://www.kreston.ch)  
[hello@kreston.ch](mailto:hello@kreston.ch)  
CHE-102.312.698 VAT

An independent member of the  
Kreston Global network

 Member of EXPERTsuisse

 MEMBER OF THE  
FORUM OF FIRMS



Report of the Independent Auditor  
to the Board of Directors of  
**Eurybia AG, CH-Steinhausen**

CH-Zurich, 16 July 2025

## **Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of **Eurybia AG** and its subsidiaries («the Group»), which comprise the consolidated balance sheet as of 31 December 2024, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and notes to the consolidated financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in compliance with Swiss law.

### **Basis for opinion**

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards (SA-CH). Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### **Emphasis of matter**

We draw attention to note 12 (a) «Deferred tax assets and liabilities Albania» of the financial statements where the Company has reported deferred tax in the amount of kUSD 13'462 (2023: kUSD 12'573). This deferred tax asset is created from temporary differences arising from carried forward fiscal losses recoverable by the Company against future fiscal profits, for an indefinite period, forecast based on the fiscal regime that regulates the Company's activity. As stated in note 12 of the financial statements, the Company confirms that this asset is recoverable and has no indication of its impairment. The Company has identified, through accounting records, evidence for the self-declaration of fiscal losses carried forward. Until the date of this report, the company has not been audited for the outstanding amount of fiscal losses as of 31 December 2024, consequently there is no evidence that the full amount of the fiscal loss will be recognised by the relevant authorities on and for the year ending December 31 2024. Our opinion has not been modified on this matter.



## **Responsibility of the Board of Directors for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Swiss law, ISAs and SA-CH 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 consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting 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 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, of, 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 and we remain solely responsible for our auditor's opinion.



We communicate with the Board of Directors or its relevant committee 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.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

Without qualifying our opinion, we draw attention to note 2e "Going-Concern Assumptions and Capital Investment Requirements" of the consolidated financial statements, which discloses that there is a degree of uncertainty regarding Eurybia AG's ability to continue as a going concern. If it were not possible to continue as a going concern, the consolidated financial statements would have to be prepared based on realisable values.

We recommend that the consolidated financial statements submitted to you be approved.

**a&o kreston audit ag**

Hermann Dünner  
Licensed Audit Expert  
Auditor in Charge

Emre Özdemir  
Licensed Audit Expert

Enclosures:

- Consolidated Financial Statements



**EURYBIA AG**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2024**



**EURYBIA AG**

Sennweidstrasse 45, 6312 Steinhausen  
Switzerland

✉ [info@eurybia.ch](mailto:info@eurybia.ch)

☎ +41 71 544 01 20

📠 +41 71 535 59 08

CHE-115.925.456

	Notes	2024 kUSD	2023 kUSD
<b>Assets</b>			
<b>Current assets</b>			
Inventories	8	4,191	2,994
Receivables and prepaid expenses	9	4,175	7,759
Due from affiliates	9	8,839	9,645
Cash and cash equivalents	9	41	496
<b>Total current assets</b>		<b>17,246</b>	<b>20,894</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	1,038	1,272
Exploration and evaluation assets	11	38,959	38,019
Deferred tax assets	12	13,462	12,573
<b>Total non-current assets</b>		<b>53,459</b>	<b>51,864</b>
<b>Total assets</b>		<b>70,705</b>	<b>72,758</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	10,244	9,932
Lease obligations	13	110	113
VAT and current tax liabilities	9	90	76
Financial liabilities	9	3,677	6,171
<b>Total current liabilities</b>		<b>14,121</b>	<b>16,292</b>
<b>Non-current liabilities</b>			
Financial liabilities	9	6,523	7,527
Deferred tax liabilities	12	134	142
Lease obligations	13	203	337
Decommissioning obligation	14	144	130
Employee benefits	15	289	297
<b>Total non-current liabilities</b>		<b>7,293</b>	<b>8,433</b>
<b>Equity</b>			
Share capital	16	1,765	1,691
Treasury shares		(1,017)	(2,413)
Other reserves	16	106,717	104,762
Retained earnings		(58,174)	(56,007)
<b>Total equity</b>		<b>49,291</b>	<b>48,033</b>
<b>Total liabilities and equity</b>		<b>70,705</b>	<b>72,758</b>

	Notes	2024 kUSD	2023 kUSD
<b>Revenue</b>			
Oil sales	18	3,019	3,087
Other revenue		527	58
<b>Total operating revenues</b>		<b>3,546</b>	<b>3,145</b>
<b>Expenses</b>			
Operating	19	(3,253)	(2,885)
Sales and transportation		(54)	(41)
General & administrative	20	(4,320)	(4,405)
Depreciation and impairment		(207)	(109)
<b>Operating profit/(loss)</b>		<b>(4,288)</b>	<b>(4,295)</b>
Net finance income/(expense)	21	1,234	811
<b>Profit/(loss) before income tax</b>		<b>(3,054)</b>	<b>(3,484)</b>
Income tax income/(expense)	12	887	806
<b>Profit/(loss) for the year</b>		<b>(2,167)</b>	<b>(2,678)</b>
<b>Basic earnings per share</b>	17	<b>(0.010)</b>	<b>(0.02)</b>
<b>Diluted earnings per share</b>	17	<b>(0.010)</b>	<b>(0.02)</b>
		2024 kUSD	2023 kUSD
<b>Profit/(loss) for the period</b>		<b>(2,167)</b>	<b>(2,678)</b>
<b>Other comprehensive income/(loss), net of tax</b>			
Items that may be reclassified to profit or loss		(2,524)	(2,784)
<i>Currency translation differences</i>		(2,524)	(2,784)
<i>Currency translation differences from net investment in a foreign operation</i>		-	-
Items that are not reclassified to profit or loss in later periods		(3)	(46)
<i>Retirement benefit remeasurements</i>	15	(3)	(46)
<b>Other comprehensive income/(loss)</b>		<b>(2,527)</b>	<b>(2,830)</b>
<b>Total comprehensive income/(loss)</b>		<b>(4,694)</b>	<b>(5,508)</b>

kUSD	Notes	Share capital	Treasury shares	Retained earnings	Other reserves	Total
<b>Total equity at</b>	<b>1 January 2023</b>	<b>1,691</b>	<b>(2,413)</b>	<b>(53,329)</b>	<b>86,012</b>	<b>31,961</b>
Profit/(loss) for the period		-	-	(2,678)	-	(2,678)
Other comprehensive income/(loss)		-	-	-	(2,830)	(2,830)
<b>Total comprehensive income/(loss)</b>		<b>-</b>	<b>-</b>	<b>(2,678)</b>	<b>(2,830)</b>	<b>(5,508)</b>
Sale of borrowed shares		-	-	-	21,580	21,580
<b>Total equity at</b>	<b>31 December 2023</b>	<b>1,691</b>	<b>(2,413)</b>	<b>(56,007)</b>	<b>104,762</b>	<b>48,033</b>
Profit/(loss) for the period		-	-	(2,167)	-	(2,167)
Other comprehensive income/(loss)		-	-	-	(2,527)	(2,527)
<b>Total comprehensive income/(loss)</b>		<b>-</b>	<b>-</b>	<b>(2,167)</b>	<b>(2,527)</b>	<b>(4,694)</b>
Sale of borrowed shares		74	-	-	4,482	4,556
Return of shares to Treasury			1,396	-	-	1,396
<b>Total equity at</b>	<b>31 December 2024</b>	<b>1,765</b>	<b>(1,017)</b>	<b>(58,174)</b>	<b>106,717</b>	<b>49,291</b>



Notes	2024 kUSD	2023 kUSD
<b>Cash flows from operating activities</b>		
Profit/(loss) for the year	(2,167)	(2,679)
Adjustments for		
Income tax income/(expense)	12 (887)	(806)
Depreciation and impairment	10 206	109
Interest on financial liabilities	107	1,232
Interest on due from affiliate	(437)	
Other non-cash items	(13)	(35)
Income taxes paid	(10)	
Unrealized foreign exchange	(1,425)	(1,924)
<b>Cash flows before change in operating assets and liabilities</b>	<b>(4,626)</b>	<b>(3,427)</b>
Working capital adjustments		
(Increase)/ Decrease in inventories	(1,197)	(811)
(Increase)/ Decrease in receivables and prepaid expenses	1,787	(273)
(Decrease)/ Increase in accounts payable and accrued liabilities	630	(909)
Other changes		
(Decrease)/ Increase in decommissioning obligation	14	14
<b>Total cash flows from operating activities</b>	<b>(3,392)</b>	<b>(6,464)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	10 (34)	(523)
Purchase of exploration and evaluation assets	11 (1,131)	(574)
<b>Total cash flows from investing activities</b>	<b>(1,165)</b>	<b>(1,097)</b>
<b>Cash flows from financing activities</b>		
Proceeds from financial liabilities	54	726
Proceeds from sales of borrowed shares	388	17,338
(Increase)/ Decrease in advances to affiliates	5,375	(9,645)
Repayment of financial liabilities	(1,592)	(616)
Payment of lease obligations	(123)	244
<b>Total cash flows from financing activities</b>	<b>4,102</b>	<b>8,047</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(455)</b>	<b>486</b>
Cash and cash equivalents at the beginning of the financial year	496	10
<b>Cash and cash equivalents at the end of the period</b>	<b>41</b>	<b>496</b>

Eurybia AG ("Company" or "Group") is a limited liability company incorporated and domiciled in Steinhausen (ZG), Switzerland and is engaged in exploration, development and production of oil in Albania.

The consolidated financial statements include the accounts of the Company and its wholly owned operating subsidiary United Terra Sh.a. United Terra Sh.a. is incorporated in Albania and operates the Albanian oilfields pursuant to a Petroleum Sharing Agreement ("PSA") with Albpetrol Sh.a. (Albpetrol), the state-owned oil company and the Albanian National Agency for Natural Resources (AKBN). The PSA grants the Company the right to all economic benefits and costs associated with the operation of the Visoka oilfield in Albania. On 18 October 2011, the Executive Advisory Committee ("EAC") representing Albpetrol and the Albanian government approved the Master Development Plan for Visoka. The Development Plan included a USD 80 million investment program, which had been fully fulfilled as of the last government audit for the period ended 31 December 2019. The Company took over the oilfield and commenced operations on 8 February 2012.

The PSA stipulates that the Company provides a portion of the production to Albpetrol and pays a royalty to the Government of Albania on its remaining share of production. The PSA has a 25-year term with extension options at the Company's election for further five-year increments, subject to government and regulatory approvals. The Company is focused on increasing oil production through investment in Visoka and the acquisition of additional petroleum licenses in Albania. The PSA requires an annual meeting of the EAC to review the Company's investment and operating plan. The Company has fully complied with this requirement and has received EAC approval each year for its plans, including 2024.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as **issued** by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorized for issue by the Board of Directors on 8 July 2025.

### (b) Basis of presentation and measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss which are measured at fair value.

The methods used to measure fair values are discussed in note 4.

### (c) 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 (functional currency). The functional currency of the parent entity is Swiss Francs (CHF). These consolidated financial statements are presented in United States Dollars (USD) (presentation currency), which is the functional currency of the Company's operating subsidiary. Unless otherwise noted, the consolidated financial statements are presented in thousands of US Dollars (kUSD).

### (d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are as follows:

## 2. BASIS OF PREPARATION (cont'd)

### (d) Use of estimates and judgments (cont'd)

#### (i) Depreciation

Amounts recorded for depreciation are based on estimates of useful lives.

#### (ii) Decommissioning obligation

Amounts recorded for decommissioning obligation and the related accretion expense requires the use of estimates with respect to the amount and timing of decommissioning expenditures. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions and changes in technology.

#### (iii) Recoverability of accounts receivable

The recoverability of accounts receivable, due from the Company's buyer of petroleum, who is also the major creditor of the Company, is assessed to determine the carrying value of accounts receivable on the Company's Consolidated Balance Sheets. Management judgment is required in performing the recoverability assessment. No material credit losses have been experienced to date, and the Company expects to collect the accounts receivable balance in full.

#### (iv) Deferred taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. The Company's income tax filings are subject to audit by taxation authorities in different jurisdictions and the results of such audits may increase or decrease the tax liability. The determination of current and deferred tax amounts recognized in the Consolidated Financial Statements are based on management's assessment of the tax positions, which includes consideration of their technical merits, communications with tax authorities and management's view of the most likely outcome. These differences could materially impact net earnings (loss).

#### (v) Employee benefits

The expense and defined benefit obligation for the significant defined benefit plan in accordance with IAS 19 *Employee Benefits* are determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at the end of each reporting period. This method takes into account years of service up to the reporting period and requires the Company to make estimates about demographic variables (such as mortality or turnover) and financial variables (such as future salary increase and the long-term interest rate on pension assets) that will affect the final cost of the employee benefits.

#### (vi) Leases

Management uses judgement to determine the incremental borrowing rate and lease term related to the application of IFRS 16. Incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying amount of the right-of-use assets, lease obligations, and the resulting interest and depletion and depreciation expense, may differ due to changes in the market conditions and lease term. Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

### (e) Going-Concern Assumptions and Capital Investment Requirements

The Company is a party to a Production Sharing Agreement (PSA) and operates the Visoka oilfield in Albania. These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its obligations and realize its assets in the normal course of operations

**2. BASIS OF PREPARATION (cont'd)****(e) Going-Concern Assumptions and Capital Investment Requirements**

Capital commitments for field operations are agreed annually between a meeting of the EAC including representatives of the Company, AKBN and Albpetrol. The Company presents its investment plan which considers economic conditions and the goals and objectives of the field development. There currently no significant commitments resulting from these meetings.

As of 31 December 2024, the Company has 12 horizontal wells, 10 of which are active, and 235 other wells, 75 of which are producing. With these wells and the improvements made, the Company has considerably increased its production capacity and expects to implement its new development plan after the conclusion of its current financing. Gross production in 2024 was approximately 96,000 bbl and the new development plan is expected to provide rapid improvements to production. The Company is free to sell its oil production on the global markets.

The Company continues to execute its business plan. Equipment has been procured for testing the use of western oilfield production techniques to increase oil production at Visoka. This involves installing equipment downhole and, on the surface, to handle larger fluid volumes to produce both more oil and water. Testing has commenced on the first two well locations and the collective result meets and exceeds our expectations. Additional locations are being prepared to extend the program.

The Group is currently undergoing a restructuring whereby all registered shareholders of the Company will receive one share of United Terra Enterprises ("UTP"), which has been incorporated in the Principality of Liechtenstein in exchange for each share of the Company held by the shareholder. Agreements have been received from approximately 500 shareholders representing approximately 100% of the registered shares of the Company.

The Group intends to list the shares of UTP on a US stock exchange in late 2025 or early 2026, providing access to a liquid trading platform for UTP's shares and greater access to capital. In this regard, the Group has executed an engagement letter with a US investment bank to provide financial advisory services to prepare the applicable filings. Additionally, the Group has engaged RPS Group to provide updated Competent Persons' Reports for Visoka and the Albanian solar projects, which are expected to provide a basis for an increased valuation prior to the planned listing. The listing would be dependent upon, among other things, the state of the capital markets and receipt of regulatory approvals.

The continued strength in the oil price has had a significant increase in the appetite of investors to partner with the Company and invest the necessary capital to execute its business plan to increase production in its Albanian subsidiary and bring the Company to a profitable position.

The Group has also placed a corporate bond under Regulations S of the US Securities act of 1933 which is expected to close in July 2025 for an amount up to USD 150 million. An offering memorandum has been prepared for the placement which will be marketed in major economic centers worldwide. The proceeds from the offering will be utilized to fund oil and gas and green energy projects for the Group.

Management believes with its current resources and expected funding that the going concern assumption is appropriate for these financial statements and that the Company will be able to meet its budgeted capital and administrative costs as well as its other potential capital commitments during the upcoming year and beyond. Management has demonstrated its ability to successfully finance the Company through previous financial crises in the oil industry, and the funding that has been received and expected funding from the bond financing provides the Company sufficient funding to execute its business plan for at least 12 months, including the engagement of the lead investment bank and advisors for the going public process, and continuing the necessary steps to increase oil production.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group to all periods presented in these consolidated financial statements.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are considered. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is obtained until the date that control ceases.

#### (ii) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

### (b) Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the respective spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss or other comprehensive income, should specific criteria be met. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The assets and liabilities of operations with a functional currency other than USD are translated into USD at the rate of exchange at the reporting date and their statements of comprehensive income are translated at the average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income or loss. On disposal of a foreign operation, the accumulated foreign currency translation difference relating to that foreign operation is recognized in profit or loss.

### (c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

### (d) Financial instruments

Non-derivative financial instruments include cash and cash equivalents, receivables and prepaid expenses, long-term financial liabilities, accounts payable and accrued liabilities and other financial liabilities. Non-derivative financial instruments are initially recognized at fair value plus any directly attributable transaction costs, except for financial assets and liabilities at fair value through profit or loss whereby any directly attributable transaction costs are expensed as incurred.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

**Cash and cash equivalents** - Cash and cash equivalents is measured like other non-derivative financial instruments. After initial recognition, this financial instrument is measured at amortized cost.

**Long-term financial liabilities** - Long-term financial liabilities are recorded at amortized cost, net of directly attributable transaction costs. After initial recognition, the directly attributable transaction costs are amortized into the carrying value using the effective interest method over the term of the debt facility through the consolidated statements of operations and comprehensive income (loss).

**Lease obligations** - Lease obligations are obligations of the lessee to pay lease payments that consist of principal and interest components according to the lease agreement. After initial recognition, the lease obligations are accreted using the interest rate implicit in the lease, if that rate can be readily determined or if not, the Company's borrowing rate and is recorded as finance expense to the statement of operations and comprehensive income (loss).



### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (d) Financial instruments (cont'd)

Other - Other non-derivative financial instruments, such as receivables and prepaid expenses long-term financial liabilities, accounts payable and accrued liabilities and other financial liabilities are measured at amortized cost, less any impairment losses.

#### (e) Property, plant and equipment (PP&E)

##### (i) Initial recognition

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost (if the asset was previously classified as assets in development), any costs directly attributable to bringing the asset into operation and the initial estimate of the decommissioning obligation. The purchase price or construction cost is the aggregate amount paid, and the fair value of any other consideration given to acquire the asset. Finance leases of PP&E are also included within property, plant and equipment.

##### (ii) Depreciation/amortisation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, as follows:

Buildings and grounds	20 – 25 years
Machinery and equipment	5 years
Furniture and fixtures	4 – 5 years
Vehicles	5 years

Tangible assets used in exploration and evaluation activities (such as the Group's machinery and equipment) are classified as property, plant and equipment. However, to the extent that such tangible assets are consumed in developing an E&E asset, the amount reflecting that consumption is recorded as part of the E&E assets. Consequently, depreciation on tangible assets used in exploration and evaluation activities is capitalized as exploration and evaluation assets.

##### (iii) Subsequent costs

Costs of replacing parts of PP&E are recognized as PP&E only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

#### (f) Exploration and evaluation assets (E&E)

Pre-license costs are recognized in the statement of comprehensive income as incurred.

Exploration and evaluation (E&E) costs, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as either tangible or intangible E&E assets according to the nature of the assets acquired. E&E costs are accumulated on an oilfield level pending determination of technical feasibility and commercial viability. The Company has developed a field development plan which details its plans to achieve commercial viability.

E&E assets are assessed at the field level for impairment. The field level is appropriate to consider impairment as the Company makes its economic decisions at the field level, assets are shared, production is comingled and treated together, and sales of product are negotiated at the field level. E&E assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability, and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (f) Exploration and evaluation assets (E&E) (cont'd)

The technical feasibility and commercial viability of a license is determinable based on several factors, including the assignment of proven reserves. A review of an exploration license or field is carried out, at least annually, to ascertain whether the project is technically feasible and commercially viable. Upon determination of technical feasibility and commercial viability of a license, E&E assets attributable to the reserves estimated for the license are first tested for impairment and then reclassified from E&E assets to a separate category within property, plant and equipment referred to as development and production assets.

#### (g) Leases

A contract is, or contains, a lease if the contract provides the right to control the use of an identified asset for a period in exchange for consideration. A lease obligation is recognized at the commencement of the lease term measured as the present value of the lease payments not already paid at that date. Interest expense is recognized on the lease obligations using the effective interest rate method and net payments are applied against the lease obligation. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease obligation, adjusted for lease incentives received and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term.

#### (h) Inventory

Inventory consists of oil in tanks and supplies and is valued at the lower of cost or market value. The cost of inventory is determined using the weighted average method. Oil inventories include expenditures incurred to produce, upgrade and transport the product to the storage facilities.

#### (i) Employee benefits

Amendments to IAS 19, Plan Amendment, Curtailment or Settlement, applies to plan amendments, curtailments, or settlements occurring on or after 1 January 2020. These amendments apply only to any future plan amendments, curtailments, or settlements of the Group.

The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The Company had no plan amendments, curtailments or settlements during the year.

The expense and defined benefit obligations for the significant defined benefit plans in accordance with IAS 19 are determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at the end of each reporting period.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises changes in the net defined benefit obligation as follows:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements are included in general and administrative expenses
- Net interest expense or income is included in finance expense.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (i) Employee benefits (cont'd)

##### (i) Service cost

Service cost includes current service cost, past service cost and gains or losses on settlements. Past service cost is recognized in the period the plan amendment has been approved by the board of the respective pension plan.

##### (ii) Net interest cost

Net interest is calculated by applying the discount rate to the net defined liability or asset.

##### (iii) Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

#### (j) Impairment

##### (i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Material financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

##### (ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is determined. E&E assets are assessed for impairment when they are reclassified to PP&E.

For the purpose of impairment testing, assets, except E&E assets, are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less cost of disposal.

Fair value less cost of disposal is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties (as defined in the fair value hierarchy in note 4). Given the nature of the assets of the CGU, the fair value less cost to sell is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may consider. These cash flows are discounted by an appropriate discount rate which would be applied by a market participant to arrive at a net present value of the CGU.



### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (j) Impairment (cont'd)

##### (i) Non-financial assets(cont'd)

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and can only consider approved future development costs. Estimates of future cash flows are made using forecasts of commodity prices and expected production volumes. The latter considers assessments of field reservoir performance and includes expectations about proved and unproved volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

E&E assets are assessed at the oil field level when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to property, plant and equipment.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of other assets recognized in prior years is assessed at each reporting date for any indications that the impairment has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

#### (k) Decommissioning obligations

The Company's activities give rise to dismantling, decommissioning and site remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the reporting date. After the initial measurement, the obligation is adjusted at the end of each reporting period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion within finance expenses whereas increases/decreases due to changes in the estimated future cash flows are adjusted in the relevant asset. Actual costs incurred upon settlement of the decommissioning obligation are charged against the obligation to the extent the obligation was established.

#### (l) Revenue

The Company's revenues are primarily derived from the production of crude oil. Prices are agreed between the Company and the customers in the related sales contracts and fluctuate with the market price of the product. Settlement can be satisfied through cash payments or offsetting liabilities.

Revenue from the sale of crude oil is recorded when the significant risks and rewards of ownership of the product is transferred to the buyer, the economic benefits associated with the transaction are likely to flow to the Company and the Company has no continuing managerial involvement or control over the product, which is usually when legal title passes to an external party. Other revenue from customers includes revenue earned from disposing of wastewater from other operators into injection wellbores.

Revenue is recorded net of any royalties when the amount of revenue can be reliably measured and the costs incurred in respect of the transaction can be measured reliably.

The quantity of oil sold may exceed the Company's share of production, giving rise to an overlift. The Company's share of oil sold is included in revenue and the overlift is included in accounts payable. The liability is revalued at period end if such value exceeds the value of the oil at the time of the overlift. Revaluations between period are included in other expenses.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (m) Finance income and expense

Net finance income or expense is comprised of interest income, interest expense on borrowings and finance lease and accretion of the discount on decommissioning liabilities.

Foreign currency gains and losses, reported under finance income and expense, are reported on a net basis.

#### (n) Income Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity.

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

Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company's policy for income tax uncertainties is that tax benefits will be recognized only when it is more likely than not the position will be sustained on examination.

#### (o) Earnings per share

Basic earnings per share is calculated by dividing the net earnings or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by dividing the profit adjusted by dilutive effects applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

#### (p) Recent Accounting Pronouncements

##### **Amendments to IAS 1 - Classification of liabilities as current or non-current**

On January 1, 2024 the Company adopted the scope amendments to IAS 1 – “Presentation of Financial Statements” to clarify that liabilities are classified as either current or non-current, depending on the existence of the substantive right at the end of the reporting period for an entity to defer settlement of the liability for at least twelve months after the reporting period. There was no material impact to the financial statements from its adoption.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (p) Recent Accounting Pronouncements (cont'd)

##### **IFRS 18 – Presentation and Disclosure in Financial Statements**

On April 9, 2024 the IASB issued IFRS 18, “Presentation and Disclosure in Financial Statements” (“IFRS 18”), which will replace International Accounting Standard 1, “Presentation of Financial Statements”. IFRS 18 will establish a revised structure for the Consolidated Statements of Comprehensive Income (Loss) and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The standard is to be applied retrospectively, with certain transition provisions. The Company is currently evaluating the impact of adopting IFRS 18 on its financial statements.

### 4. DETERMINATION OF FAIR VALUES

Several of the Company’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Company assesses financial assets and liabilities according to the fair value hierarchy as described below:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Fair value measurements with inputs for the asset or liability that are not based on observable market data.

#### **(a) Cash and cash equivalents**

The fair value of cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate their carrying value due to their short term-to-maturity.

#### **(b) Employee benefits**

The valuation of the pension plan assets is carried out yearly and recognized at its fair market value.

### 5. FINANCIAL RISK MANAGEMENT

The Company, as part of its operations, carries several financial instruments including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The Company is exposed to the following risks related to its financial assets and liabilities:

#### **(a) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Most of the Company’s trade receivable balances relate to oil sales. The Company’s policy is to enter into agreements with customers that are well established and well financed entities in the oil and gas industry such that the level of risk is mitigated. To date, the Company has not experienced any credit losses in the collection of its trade receivables.

The carrying amount of accounts receivable represents the maximum credit exposure.

## 5. FINANCIAL RISK MANAGEMENT (cont'd.)

### (a) Credit risk (cont'd)

The following table shows the total of receivables and prepaid expenses of the respective periods presented divided into the current portion of the balance as well as the balances past due but not impaired.

	Current	Past due but not impaired since 30-60 days	Past due but not impaired since 61-90 days	Past due but not impaired since over 90 days	31 December 2024 kUSD Total
Trade receivables Albania	543	-	-	455	998
Other receivables Switzerland	59	-	-	212	271
VAT net receivables Switzerland	14	-	-	-	14
VAT net receivables Albania	-	-	-	-	-
Prepayments Albania	146	-	-	-	146
Prepayments Switzerland	2,900	-	-	-	2,900
<b>Total</b>	<b>3,662</b>	<b>-</b>	<b>-</b>	<b>667</b>	<b>4,329</b>

	Current	Past due but not impaired since 30-60 days	Past due but not impaired since 61-90 days	Past due but not impaired since over 90 days	31 December 2023 kUSD Total
Trade receivables Albania	218	-	-	4,020	4,238
Other receivables Switzerland	63	-	-	159	222
VAT net receivables Switzerland	31	-	-	-	31
VAT net receivables Albania	98	-	-	-	98
Prepayments Albania	56	-	-	-	56
Prepayments Switzerland	3,114	-	-	-	3,114
<b>Total</b>	<b>3,580</b>	<b>-</b>	<b>-</b>	<b>4,179</b>	<b>7,759</b>

Value Added Tax (VAT) receivable is reimbursed on a timely basis by the respective government subject to its audit verification.

Prepaid expenses include kUSD 2,896 which was remitted through the delivery of 4,130,500 shares to a financial advisor as advance payment for finder's fees related to the completion of funding by a key investor. The fees were not earned by the financial advisor, and the Company is pursuing legal action to recover the shares. The court engaged an expert to prepare a report which was issued on June 17, 2025 and supported the Company's position.

The Company manages the credit exposure related to cash and cash equivalents and accounts receivable by selecting counterparties based on credit risk and monitoring all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset backed commercial paper.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9 which permits the use of the lifetime expected loss provision for all trade receivables. Prior credit losses in the collection of accounts receivable by the Company have been negligible and the Company does not anticipate any significant future credit losses based on forward looking information. Accordingly, no provision has been recorded for expected credit losses.

When determining whether amounts that are past due are collectable, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount.

## 6. FINANCIAL RISK MANAGEMENT (cont'd.)

### (b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or jeopardizing the Company's business objectives.

The Company prepares annual capital expenditure budgets which are monitored regularly and updated as considered necessary. Crude oil production is monitored to provide current cash flow estimates, and the Company utilizes authorizations for expenditures on projects to manage capital expenditures.

The Company monitors its liquidity position regularly to assess whether it has the resources necessary to fund planned exploration commitments on its exploration and evaluation assets or that viable options are available to fund such commitments from new equity issuances or alternative sources of financing such as farm-out agreements. However, as an exploration company at an early stage of development and without significant internally generated cash flow, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual exploration expenditures may exceed those planned. Alternatives available to the Company to manage its liquidity risk include deferring planned capital expenditures that exceed amounts required by work programs to retain concession licenses, farm-out arrangements and securing new equity or debt capital. Amounts in current accounts payable and accrued liabilities are due on demand.

The contractual maturities of financial liabilities, on 31 December 2024 and 2023 are as follows:

	31 December 2024 kUSD					
	Carrying Amount	Contractual Cash Flows	2025	2026	2027	2028 and after
Accounts payable and accrued liabilities	10,244	10,244	10,244	-	-	-
Current financial liabilities	3,677	3,677	3,677	-	-	-
VAT and other taxes net payables	90	90	90	-	-	-
Non-current financial liabilities	6,523	6,523	-	926	599	4,998
<b>Total</b>	<b>20,534</b>	<b>20,534</b>	<b>14,011</b>	<b>926</b>	<b>599</b>	<b>4,998</b>

	31 December 2023 kUSD					
	Carrying Amount	Contractual Cash Flows	2024	2025	2026	2027 and after
Accounts payable and accrued liabilities	9,932	9,932	9,932	-	-	-
Current financial liabilities	6,171	6,171	6,171	-	-	-
VAT and other taxes net payables	76	76	76	-	-	-
Non-current financial liabilities	7,527	7,527	37	1,007	783	6,114
<b>Total</b>	<b>23,706</b>	<b>23,706</b>	<b>16,216</b>	<b>1,007</b>	<b>783</b>	<b>6,114</b>

### (c) Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, interest rates and commodity prices, will affect the Company's cash flows, profit or loss, liquidity or the value of the financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and maximize returns.

## 5. FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Market risk (cont'd)

#### (i) Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency fluctuations as certain expenditures are denominated in Euro (EUR), Albanian Lek (ALL) and Swiss Franc (CHF).

The average and year-end exchange rates for these currencies were as follows in terms of one USD:

	CHF		ALL	
	31 December	Average	31 December	Average
2024	0.91	0.89	98.15	104.43
2023	0.84	0.90	93.94	100.64

The Company had no forward foreign exchange rate contracts in place as at or during the years ended 31 December 2024 and 2023.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in ALL and CHF exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The only additional impact on the Group's equity would be because of translation differences to the presentation currency. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Effect on profit before tax and pre-tax equity		Effect on profit before tax and pre-tax equity	
	Change in Rate	2024	Change in Rate	2023
CHF	5%	159	5%	184
CHF	-5%	(152)	-5%	(176)
ALL	10%	(615)	10%	(615)
ALL	-10%	559	-10%	559
EUR	5%	(69)	5%	(277)
EUR	-5%	66	-5%	264

#### (ii) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's financial assets and liabilities are not exposed to interest rate risk.

The Company has not entered any interest rate hedges or swaps.

#### (iii) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commodity prices. Lower commodity prices can also impact the Company's ability to raise capital. Commodity prices for oil are impacted by world economic events that dictate the levels of supply and demand. From time to time the Company may attempt to mitigate commodity price risk using financial derivatives. The Company's production is usually sold using "spot" or near-term contracts, with prices fixed at the time of transfer of custody or based on a monthly average market price.

The Company has not entered any mitigating commodity futures and has no commodity price risk on its financial instruments.



## 6. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its capital base to provide flexibility in the future development of the business and maintain investor, creditor and market confidence. The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital structure to include shareholders' equity, long-term debt and working capital, defined as current assets fewer current liabilities. To maintain or adjust the capital structure, the Company may issue shares, enter intenterilities, or utilize alternative sources of financing such as farm-out agreements. The Company may also negotiate with creditors to receive more favourable repayment terms or achieve subordination of debts. As of 31 December 2024 and 2023, the Company had no farm-out arrangements.

During 2019, the Company entered into an agreement with a creditor whereby the Company purchased kUSD 19,654 owing by its subsidiary to a group of companies controlled by the creditor. Under the terms of the agreement, the Company agreed to pay the creditor USD 10 million cash and 3,200,000 shares of the Company (kUSD 9,654). USD 6 million was subsequently paid, leaving USD 4 million outstanding. In February 2024, the Company agreed with the creditor to offset accounts receivable of kUSD 3,861 against accounts payable of kUSD 2,678 and KUSD 1,182 of the vendor financing and commence monthly payments against the remaining balance of kUSD 2,818.

The Company may also adjust its capital spending to manage current and projected debt levels.

	kUSD	
	31 December 2024	31 December 2023
Current assets	17,246	20,894
Less: current liabilities	(14,121)	(16,292)
<b>Working Capital</b>	<b>3,125</b>	<b>4,602</b>
Financial liabilities (non-current)	6,523	7,527
<b>Long term debt</b>	<b>6,523</b>	<b>7,527</b>
Shareholders' equity	49,291	48,033
Working Capital	3,125	4,602
Long term debt	6,523	7,527
<b>Total Capital</b>	<b>58,939</b>	<b>60,162</b>

There were no changes in the Company's approach to capital management during the year or comparative periods. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

## 7. RELATED PARTY TRANSACTIONS

### (a) Subsidiaries

The interests in the only subsidiary Terraoil Swiss Sh.a. are set out in note 1.

### (b) Key management personnel compensation

Key management personnel compensation includes all compensation paid to executive management, Board of Directors and related parties of executive management members and is comprised of the following:

	kUSD	
	2024	2023
Short-term employee benefits and salaries	(1,343)	(1,551)
Post-employment benefits	(131)	(109)
<b>Total</b>	<b>(1,474)</b>	<b>(1,660)</b>

## 7. RELATED PARTY TRANSACTIONS (cont'd)

### (c) Transactions and outstanding balances with related parties

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	kUSD	
	Balance payable as of year end	Balance prepaid/receivable as of year end
<b>Current accounts payable/receivable/prepaid balances of key management personnel</b>		
2024	1,334	59
2023	1,040	63

The current accounts payable and receivable balances of key management personnel are included in the accounts payable and accrued liabilities and receivables and prepaid expenses, respectively. Additionally, included in non-current loans are kUSD 376 (2023 – 1,290) owing to board, management and entities controlled by board members for advances received or deferred compensation.

### (d) Terms and conditions of transactions with related parties

Outstanding loans from key management personnel at the year-end are fully subordinated and yield interest of 2 - 2.5%. As the loans are fully subordinated the applicable interest charge is credited to the loans payable.

The Company acquired shares through securities lending agreements with key management personnel and a shareholder, which the Company must return to the lenders according to the terms of the agreements. The shares are sold by the Company, and the proceeds are presented under Other Reserves. The loaned shares were sold to raise funds during the financial year. The Company holds an additional number of 377,974 shares in its custody account in a trust relationship based on the securities lending agreement.

The Company is entitled to return to the lender the same number of shares to be newly issued through a legal capital increase. The capital increase is expected to result in additional reserves from capital contributions depending on the fair value of shares at the date of the capital increase. The Company pays the borrowing parties a commission fee in line with market conditions. The commission payable for a lending period of one calendar year is based on the par value of the maximum number of shares borrowed on a single day of this calendar year. No commissions were paid in 2024 or 2023.

Current accounts payable and receivable balances of key management personnel represent various allowance expenses in the normal course of business which are outstanding as of year-end.

## 8. INVENTORY

	31 December 2024	31 December 2023
	kUSD	
Crude oil	3,018	2,652
Other materials	1,116	252
Solvent	57	90
<b>Total</b>	<b>4,191</b>	<b>2,994</b>

Inventory is comprised of crude oil, diluent, diesel and other stocks, and is valued at the lower of average cost and net realizable value.



## 9. FINANCIAL ASSETS AND LIABILITIES

### (a) Financial assets

	31 December 2024		31 December 2023	
	Financial assets at amortized cost	Carrying Amount	Financial assets at amortized cost	Carrying Amount
	kUSD	kUSD	kUSD	kUSD
Receivables and prepaid expenses	4,175	4,175	7,759	7,759
Due from affiliates	8,839	8,839	9,645	9,645
Cash and cash equivalents	41	41	496	496
<b>Total</b>	<b>13,055</b>	<b>13,055</b>	<b>17,900</b>	<b>8,255</b>

The receivable from United Terra Enterprises PLC bears interest at 7.5% p.a. and includes accrued interest of kUSD 703. It also includes Eurybia shares totaling kUSD 4,468 which were delivered to UTP for distribution to creditors of Eurybia in settlement of liabilities. Upon completion of the current restructuring, the Company will become a 100% owned subsidiary of UTP and this amount will be eliminated on consolidation.

### (b) Financial liabilities

	31 December 2024		31 December 2023	
	Financial liabilities at amortized cost	Carrying Amount	Financial liabilities at amortized cost	Carrying Amount
	kUSD	kUSD	kUSD	kUSD
Accounts payable and accrued liabilities	10,244	10,244	9,932	9,932
VAT and current tax liabilities	90	90	76	76
Current financial liabilities	3,677	3,677	6,171	6,171
Non-current financial liabilities	6,523	6,523	7,527	7,527
<b>Total</b>	<b>20,534</b>	<b>20,534</b>	<b>23,706</b>	<b>23,706</b>

### (c) Receivables and prepaid expenses

	31 December 2024	31 December 2023
	kUSD	kUSD
	<b>Total</b>	<b>Total</b>
Trade receivables	1,268	4,643
VAT net receivables	14	31
Prepaid expenses	2,893	3,085
<b>Total</b>	<b>4,175</b>	<b>7,759</b>

### (d) Accounts payable and accrued liabilities

	31 December 2024	31 December 2023
	kUSD	kUSD
Trade payables and accrued liabilities	9,669	9,752
Payroll tax and other statutory liabilities	228	48
Other payables	120	139
Share subscriptions	227	173
<b>Total</b>	<b>10,244</b>	<b>9,932</b>

## 9. FINANCIAL ASSETS AND LIABILITIES (cont'd)

### (d) Accounts payable and accrued liabilities (cont'd)

Share subscriptions represent prepayments from private investors for the purchase of the Group's ordinary shares not yet delivered to the investors as of the respective year end. The outstanding shares can be summarised as follows:

	kUSD	Number of shares	Average Price per Share (CHF)
31 December 2024	227	185,403	1.11
31 December 2023	173	185,403	0.78

### (e) Non-current financial liabilities

	Note	Interest	Maturity	31 December 2024 kUSD	31 December 2023 kUSD
<b>Loans from key management</b>				<b>505</b>	<b>699</b>
EUR loans	i)	--		240	287
CHF advances and fees	ii)			265	412
<b>Third party convertible loans</b>				<b>1,527</b>	<b>1,561</b>
CHF 1,140,000 CCLN (including accrued interest)	iii)	9	2024-04-13	1,405	1,445
USD 100,000 CCLN (including accrued interest)	iv)	10	2023-04-30	122	116
<b>Third party loans</b>				<b>6,694</b>	<b>9,549</b>
CHF 4,168,750 subordinated loan	v)	-	subordinated	4,600	4,953
CHF non-interest-bearing loan	vi)	-		402	542
Vendor financing	vii)	-		1,618	4,000
Other loans				74	54
<b>Other financial liabilities</b>	viii)			<b>1,475</b>	<b>1,889</b>
<b>Total financial liabilities</b>				<b>10,200</b>	<b>13,698</b>
<b>Less current portion</b>				<b>(3,677)</b>	<b>(6,171)</b>
<b>Non-current financial liabilities</b>				<b>6,523</b>	<b>7,527</b>

#### (i) EUR Loans

EUR loans totaling kEUR 215 (2023– kEUR 263) loans were provided by a director and a company controlled by the director of the Company. They are interest free and have no fixed repayment date.

#### (ii) CHF advances and fees

This amount is for advances and fees payable to management and directors of the Company which have been deferred to 2025 and bear no interest.

#### (iii) CHF 1,140,000 convertible credit linked note (CCLN)

The CCLN agreement bears interest of 10% p.a. and matured on 30 April 2023. The CCLN may be prepaid at any time by the Company provided it has not received a conversion notice. Due to the convertible character of the CCLN the equity portion of the CCLN (kUSD 158) is recognised within equity. As a normal procedure, a notice of default was delivered to the Company pending finalization of a settlement and management is in discussions with the lender regarding repayment terms.

#### (iv) USD 100,000 convertible credit linked note (CCLN)

The CCLN agreement bears interest of 12% p.a. The loan matured on 31 August 2023. As a normal procedure, a notice of default was delivered to the Company pending finalization of a settlement and management is in discussions with the lender regarding repayment terms.

## 9. FINANCIAL ASSETS AND LIABILITIES (cont'd)

### (e) Non-current financial liabilities (cont'd)

(v) *CHF 4,168,750 subordinated loan from third party*

The loan represents the interest payments which remain payable under the terms of the CHF 15 million convertible loan which was converted during 2020 and are fully subordinated. The loan bore interest of 11.5% p.a. until 31 May 2023.

(vi) *CHF non-interest bearing loan*

The loan of CHF 364,000 (2024– CHF 456,000) was granted under the Swiss government Covid credit program, bears no interest and is repayable in instalments until 2027.

(vii) *Vendor financing kUSD 1,618*

Vendor financing includes kUSD 1,618 owing to a creditor of the Company which is being paid by installments (see Note 6).

(viii) *Other financial liabilities*

Other financial liabilities include accounts payable totalling kUSD 1,087 which creditors agreed to defer to 2025.

## 10. PROPERTY, PLANT AND EQUIPMENT (PP&E)

Depreciation on machinery and equipment used in exploration and evaluation activities is reversed and capitalized as E&E assets. Refer to note 3(e).

	Buildings and Grounds	Machinery and Equipment	Furniture and Fixtures	Vehicles	Right of Use Assets	kUSD Total
<b>Cost</b>						
<b>Balance as at 31 December 2022</b>	<b>711</b>	<b>2,179</b>	<b>241</b>	<b>343</b>	<b>377</b>	<b>3,851</b>
Additions	-	-	22	12	489	523
Disposals	-	-	-	-	(128)	(128)
Currency translation	-	-	9	-	30	39
<b>Balance as at 31 December 2023</b>	<b>711</b>	<b>2,179</b>	<b>272</b>	<b>355</b>	<b>768</b>	<b>4,285</b>
Additions	-	21	13	-	-	34
Disposals	-	-	-	-	-	-
Currency translation	-	-	(8)	-	(58)	(66)
<b>Balance as at 31 December 2024</b>	<b>711</b>	<b>2,200</b>	<b>277</b>	<b>355</b>	<b>710</b>	<b>4,253</b>
<b>Accumulated depreciation and impairment</b>						
<b>Balance as at 31 December 2022</b>	<b>(186)</b>	<b>(2,135)</b>	<b>(203)</b>	<b>(343)</b>	<b>(140)</b>	<b>(3,007)</b>
Additions	(3)	(8)	(9)	(1)	(97)	(118)
Disposals	-	-	-	-	128	128
Currency translation	-	-	(6)	-	(10)	(16)
<b>Balance as at 31 December 2023</b>	<b>(189)</b>	<b>(2,143)</b>	<b>(218)</b>	<b>(344)</b>	<b>(119)</b>	<b>(3,013)</b>
Additions	(30)	(12)	(17)	(3)	(156)	(218)
Disposals	-	-	-	-	-	-
Currency translation	-	-	5	-	11	16
<b>Balance as at 31 December 2024</b>	<b>(219)</b>	<b>(2,155)</b>	<b>(230)</b>	<b>(347)</b>	<b>(264)</b>	<b>(3,215)</b>
<b>Net book value</b>						
<b>Balance as at 31 December 2023</b>	<b>522</b>	<b>36</b>	<b>54</b>	<b>11</b>	<b>649</b>	<b>1,272</b>
<b>Balance as at 31 December 2024</b>	<b>492</b>	<b>45</b>	<b>47</b>	<b>8</b>	<b>446</b>	<b>1,038</b>

## 11. EXPLORATION AND EVALUATION (E&E) ASSETS

	2024 31 December kUSD	2023 31 December kUSD
<b>Balance beginning of period</b>	<b>38,019</b>	<b>36,763</b>
Capitalized depreciation	15	8
Additions	1,131	574
Transferred from oil inventory	-	390
Disposals	-	-
Currency translation	(206)	284
<b>Balance end of period</b>	<b>38,959</b>	<b>38,019</b>

Exploration and evaluation assets consist of the Company's evaluation projects which are pending the determination of commerciality.

For the years ended 31 December 2024 and 2023 there were no impairments or triggers on E&E assets. In 2023, the Company's engineers determined that a volume of oil previously included in inventory was not movable and was therefore capitalized to E&E assets.

## 12. INCOME TAX

### (a) Deferred tax assets and liabilities Albania

Under the terms of the PSA, the Company may utilize all approved capital expenditures and expenses incurred in Albania from inception of the PSA against income earned, net of royalties in determining its taxable income. This results in an immediate tax loss carry forward when capital expenditures plus operating costs and general and administrative costs exceed revenue net of royalties. All such loss carry forwards may be carried forward indefinitely before income taxes are paid. Government audits of these costs have been conducted through 2020 and the Company received confirmation of total costs available for cost recovery of USD 93.3 million. Estimated loss carry forwards are USD 63.9 million.

	2024	2023
Total costs	118,450	111,691
Total revenue for cost recovery	(51,329)	(47,814)
<b>Loss carry forward</b>	<b>67,121</b>	<b>63,877</b>

These loss carry forwards have been recognized utilizing the Albanian tax rate on profit oil of 50%, net of deferred tax liabilities for timing differences related to the accelerated depreciation of E&E and PP&E as follows:

	31 December 2024	31 December 2023
Crude inventory	(1,539)	(1,326)
Accelerated depreciation for tax purposes	(18,324)	(17,759)
Abandonment and reclamation	72	65
Lease obligations	-	-
Losses available for offsetting against future taxable income	33,253	31,593
<b>Net deferred tax asset / (liability)</b>	<b>13,462</b>	<b>12,573</b>

Reflected on the statement of financial position as follows:

<b>Deferred tax assets</b>	<b>13,462</b>	<b>12,573</b>
<b>Deferred tax liabilities</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets / (liabilities), net</b>	<b>13,462</b>	<b>12,573</b>

## 12. INCOME TAX (cont'd)

**(a) Deferred tax assets and liabilities Albania (cont'd)**

	<b>Albania statement of profit or loss and comprehensive income/(loss)</b>	
	<b>2024</b>	<b>2023</b>
Crude inventory	(183)	(417)
Accelerated depreciation for tax purposes	(565)	(280)
Abandonment and reclamation	7	7
Losses available for offsetting against future taxable income	1,630	1,498
<b>Deferred tax income/(expense)</b>	<b>889</b>	<b>808</b>
<b>Charged/(credited) to</b>		
Profit or loss	889	808
Other comprehensive income	-	-
<b>Deferred tax income/(expense)</b>	<b>889</b>	<b>808</b>
Reconciliation of deferred tax assets / (liabilities), net		
	<b>2024</b>	<b>2023</b>
As at 1 January	12,573	11,765
Tax expense during the period	889	808
<b>As at 31 December</b>	<b>13,462</b>	<b>12,573</b>

**(b) Deferred tax assets and liabilities Switzerland**

	<b>Switzerland Statement of Financial Position</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
Defined benefit pension obligations	12	13
Other	(146)	(155)
<b>Net deferred tax asset / (liability)</b>	<b>(134)</b>	<b>(142)</b>
Reflected on the statement of financial position as follows:		
<b>Deferred tax assets</b>		-
<b>Deferred tax liabilities</b>	<b>(134)</b>	<b>(142)</b>
<b>Deferred tax assets / (liabilities), net</b>	<b>(134)</b>	<b>(142)</b>

## 12. INCOME TAX (cont'd)

### (b) Deferred tax assets and liabilities Switzerland (cont'd)

	<b>Switzerland Statement of profit or loss and comprehensive income/(loss)</b>	
	kUSD	
	2024	2023
Defined benefit pension obligations	-	8
Other	(2)	(2)
<b>Deferred tax income/(expense)</b>	<b>(2)</b>	<b>6</b>
<b>Charged/(credited) to</b>		
Profit or loss	(2)	(2)
Other comprehensive income	-	8
<b>Deferred tax income/(expense)</b>	<b>(2)</b>	<b>6</b>

Additionally, the Company has tax loss carry forwards in Switzerland expiring as follows:

	kUSD
2024	6,720
2025	12,396
2026	8,849
2027	4,568
2028	7,146
2029	5,518
2030	1,050
	<b>46,247</b>

Losses expiring prior to 2027 may be utilized to the extent of 20% of the loss amount to shelter taxable income. Losses expiring after 2026 may be fully utilized.

### (c) Deferred tax assets and liabilities consolidated

	<b>Consolidated statement of financial position</b>	
	kUSD	
	31 December 2024	31 December 2023
Crude inventory	(1,539)	(1,326)
Accelerated depreciation for tax purposes	(18,324)	(17,759)
Abandonment and reclamation	72	65
Defined benefit pension obligations	12	13
Other	(146)	(155)
Losses Available for offsetting against future taxable income	33,253	31,593
<b>Net deferred tax asset / (liability)</b>	<b>13,328</b>	<b>12,431</b>
Reflected on the statement of financial position as follows:		
<b>Deferred tax assets</b>	<b>13,462</b>	<b>12,573</b>
<b>Deferred tax liabilities</b>	<b>(134)</b>	<b>(142)</b>
<b>Deferred tax assets / (liabilities), net</b>	<b>13,328</b>	<b>12,431</b>

## 12. INCOME TAX (cont'd)

### (c) Deferred tax assets and liabilities consolidated (cont'd)

	Consolidated statement of profit or loss and comprehensive income/(loss)	
	2024	2023
Crude inventory	(183)	(417)
Accelerated depreciation for tax purposes	(565)	(280)
Abandonment and reclamation	7	7
Defined benefit pension obligations	-	8
Other	(2)	(2)
Losses Available for offsetting against future taxable income	1,630	1,498
<b>Deferred tax income/(expense)</b>	<b>887</b>	<b>814</b>
<b>Charged/(credited) to</b>		
Profit or loss	887	806
Other comprehensive income	-	8
<b>Deferred tax income/(expense)</b>	<b>887</b>	<b>814</b>
Reconciliation of deferred tax assets / (liabilities), net		
	2024	2023
As of 1 January	12,431	11,631
Tax expense during the period	887	814
Exchange difference	10	(14)
<b>As of 31 December</b>	<b>13,328</b>	<b>12,431</b>

### (d) Income tax expense

	2024	2023
<b>Current tax</b>		
Current tax on profits of the year	-	-
<b>Total current tax income/(expense)</b>	<b>-</b>	<b>-</b>
<b>Deferred income tax</b>		
Decrease (increase) in deferred tax assets	889	808
(Decrease) increase in deferred tax liabilities	(2)	(2)
<b>Total deferred tax income/(expense)</b>	<b>887</b>	<b>806</b>
<b>Income tax income/(expense)</b>	<b>887</b>	<b>806</b>

### (e) Numerical tax reconciliation

The difference between the income tax reported and the amount computed by applying the statutory tax rate of Switzerland of 14.7% is as follows:

	2024	2023
<b>Income before taxes</b>	<b>(3,054)</b>	<b>(3,484)</b>
Applicable tax rate	14.7%	14.7%
<b>Expected tax</b>	<b>449</b>	<b>513</b>
Unrecognized deferred tax assets	(152)	(97)
Non-taxable items	(121)	(607)
Difference in tax rate between Albania and Switzerland	711	997
<b>Income tax income/(expense)</b>	<b>887</b>	<b>806</b>

## 12. INCOME TAX (cont'd)

The Albanian subsidiary currently pays no income taxes under the terms of the Petroleum Agreements in Albania. Taxes only become payable once all costs incurred since inception have been recovered through the sale of petroleum.

## 13. LEASE OBLIGATIONS

The following table reconciles the Company's lease obligations:

	kUSD 31 December 2024
Less than 1 year	122
1 - 3 years	214
Total lease payments	336
Amounts representing interest	23
Present value of net lease payments	313
Current portion of lease obligations	110
Non-current portion of lease obligations	203

## 14. DECOMMISSIONING OBLIGATION

	31 December 2024	kUSD 31 December 2023
<b>Provision at beginning of year</b>	<b>130</b>	<b>116</b>
Additions	-	-
Accretion	14	14
<b>Provisions at end of year</b>	<b>144</b>	<b>130</b>

The Company's decommissioning obligation results from its ownership interest in petroleum assets including well sites and gathering systems. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. For Albania, the Company estimated the total undiscounted amount required to settle the decommissioning obligation at 31 December 2024 is kUSD 989 (2023 - kUSD 989). This obligation will be settled at the end of the Company's 30 year license (including the extension option of 5 years) of which 19 years are remaining for the Visoka agreement.



## 15. EMPLOYEE BENEFITS

In Switzerland, the insurance plan is contribution based. The plan contains a cash balance benefit formula. Under Swiss law, the collective foundation guarantees the vested benefit amount as confirmed annually to members. Interest may be added to member balances (for balances exceeding the regulatory minimum) at the discretion of the collective foundation. At retirement date, members have the right to take their retirement benefit as a lump sum, an annuity or part as a lump sum with the balance converted to a fixed annuity at the rates defined in the rules of the collective foundation.

There is no employee benefit plan in Albania.

The collective foundation guarantees a sufficient degree of coverage under Swiss law. All risks, e.g. invalidity and death, are covered by insurance.

### (a) Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	31 December 2024	31 December 2023
Discount rate at 31.12.	1.50%	1.50%
Interest rate on retirement savings capital at 31.12.	1.00%	1.50%
Future salary increases at 31.12.	0.50%	1.00%
Future pension increases at 31.12.	0.00%	0.00%
Future inflation at 31.12.	1.00%	0.50%
Mortality tables	BVG 2020 GT	BVG2020 GT
Date of last actuarial valuation	2024-12-31	2023-12-31

### (b) Amounts recognized in comprehensive income

Amounts recognized in comprehensive income in respect of these defined benefit plans are as follows:

	31 December 2024	kUSD 31 December 2023
Current service cost (employer)	(101)	(87)
Past service cost	-	10
Interest expense on defined benefit obligation	(17)	(22)
Interest income on plan assets	12	17
Administration cost excl. cost for managing plan assets	(1)	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>(107)</b>	<b>(82)</b>
- thereof service and administration cost	3	3
- thereof net interest on the net defined benefit liability	3	3
<b>Remeasurement on the net defined benefit liability:</b>		
- Actuarial loss on defined benefit obligation	(7)	(15)
- Return on plan assets excluding interest income	5	(39)
- Deferred tax impact	-	8
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(2)</b>	<b>(46)</b>

The remeasurement of the net defined benefit liability is included in other comprehensive income.

### (c) Amounts included in the Consolidated statement of financial position

The amount included in the consolidated statement of financial position arising from the entity's obligation in respect of its defined benefit plan is as follows:

	31 December 2024	kUSD 31 December 2023
Defined benefit obligation at 31.12.	1,171	1,081
Fair value of plan assets 31.12.	882	787
<b>Net liability arising from defined benefit obligation</b>	<b>289</b>	<b>293</b>

## 15. EMPLOYEE BENEFITS (cont'd)

Movements in the present value of the defined benefit obligation in the current year were as follows:

	31 December 2024	kUSD 31 December 2023
Defined benefit obligation at 1.1.	1,093	943
Interest expense on defined benefit obligation	16	24
Current service cost (employer)	99	92
Contributions by plan participants	40	43
Benefits paid	(7)	(118)
Past service cost	-	(11)
Administration cost (excl. Cost for managing plan assets)	1	1
Derecognition of pensioners	-	-
Actuarial loss on defined benefit obligation	7	16
Currency translation effects	(78)	90
<b>Defined benefit obligation at 31.12.</b>	<b>1,170</b>	<b>1,080</b>

Movements in the fair value of the plan assets in the current year were as follows:

	31 December 2024	kUSD 31 December 2023
Fair value of plan assets at 1.1.	796	716
Interest income on plan assets	12	18
Contributions by the employer	93	101
Contributions by plan participants	40	43
Benefits (paid) / deposited	(7)	(118)
Derecognition of pensioners	-	-
Return on plan assets excl. interest income	5	(42)
Currency translation effects	(57)	68
<b>Fair value of plan assets at 31.12.</b>	<b>882</b>	<b>787</b>

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	31 December 2024	kUSD 31 December 2023
<b>Quoted market price</b>		
Cash and cash equivalents	14	17
Equity instruments	305	265
Debt instruments	297	268
Real estate	212	201
Others	54	36
<b>Total plan assets at fair value (quoted market price)</b>	<b>882</b>	<b>787</b>
<b>Non-quoted market price</b>		
Cash and cash equivalents	-	-
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Others	-	-
<b>Total plan assets at fair value (non-quoted market price)</b>	<b>-</b>	<b>-</b>
<b>Total plan assets at fair value</b>	<b>882</b>	<b>787</b>

## 15. EMPLOYEE BENEFITS (cont'd)

### (d) Sensitivity of the defined benefit obligation to changes in the principal assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, interest rate on retirement savings capital, future salary increases, future pension increases and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. Positive numbers represent an increase in the obligation while negative numbers represent a decrease in the obligation.

		31 December 2024	kUSD 31 December 2023
Discount rate	-0.25%	45	41
Discount rate	0.25%	(42)	(38)
Interest rate	-0.25%	(12)	(12)
Interest rate	0.25%	12	12
Salary increase	-0.25%	(2)	(2)
Salary increase	0.25%	2	2
Life expectancy	+ 1 year	9	5
Life expectancy	- 1 year	(8)	(4)
Service cost of next year with discount rate	+0.25%	73	100
Service cost of next year with interest rate	+0.25%	79	107

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position. In the collective foundation all actuarial and investment risks are covered by insurance.

The average duration of the benefit obligation is shown below:

	31 December 2024	31 December 2023
Weighted average duration of defined benefit obligation	15.0	14.8
Weighted average duration of defined benefit obligation for active members	15.0	14.8
Weighted average duration of defined benefit obligation for pensioners	-	-

The Company expects to make the following contribution to the defined benefit plans during the respective fiscal year:

	2024	2023
Contributions by the employer	93	112
Contributions by plan participants	40	48

## 16. EQUITY

### (a) Share capital

	Number of ordinary shares	Number of shares authorised	CHF Par value per share	kUSD Registered share capital
<b>At 01 January 2023</b>	<b>161,971,463</b>	<b>161,971,463</b>	<b>0.01</b>	<b>1,691</b>
Issued during the year	-	-	-	-
<b>At 31 December 2023</b>	<b>161,971,463</b>	<b>161,971,463</b>	<b>0.01</b>	<b>1,691</b>
Issued during the year	<b>6,748,708</b>	<b>6,748,708</b>	<b>0.01</b>	<b>74</b>
<b>At 31 December 2024</b>	<b>168,720,171</b>	<b>168,720,171</b>	<b>0.01</b>	<b>1,765</b>

### (b) Other reserves

	Notes	Share premium	Foreign currency translation reserve	OCI effects resulting from IAS19	OCI effects resulting from net investment in a foreign operation(ii)	Statutory legal reserves	kUSD Total other reserves
<b>Total equity at 01 January 2023</b>		<b>86,550</b>	<b>(960)</b>	<b>206</b>		<b>216</b>	<b>86,012</b>
Other comprehensive income/(loss)		-	(2784)	(46)	-	-	(2,830)
<b>Total comprehensive income/(loss)</b>		-	<b>(2,784)</b>	<b>(46)</b>	-	-	<b>(2,830)</b>
Sale of borrowed shares	i)	21,580	-	-	-	-	21,580
<b>Total equity at 31 December 2023</b>		<b>108,130</b>	<b>(3,744)</b>	<b>(160)</b>	-	<b>216</b>	<b>104,762</b>
Other comprehensive income/(loss)		-	(2,524)	(3)	-	-	(2,527)
<b>Total comprehensive income/(loss)</b>		-	<b>(2,524)</b>	<b>(3)</b>	-	-	<b>(2,527)</b>
Sale of borrowed shares	i)	4,482	-	-	-	-	4,482
<b>Total equity at 31 December 2024</b>		<b>112,612</b>	<b>(6,268)</b>	<b>157</b>	-	<b>216</b>	<b>106,717</b>

#### (i) Sale of borrowed shares

The Company entered into two Security Lending Agreements with shareholders whereby the Company could borrow up to 24 million (2023 - 24 million) shares and sell the shares to raise additional capital. Sales of borrowed shares were as follows:

	2024	Number of shares 2023
<b>Borrowed shares held in trust, beginning of year</b>	<b>377,974</b>	<b>377,974</b>
Shares borrowed during the year	-	9,824,743
Shares sold during the year	-	(7,735,481)
Capital increase	-	-
Shares returned during the year	(377,974)	(2,617,217)
<b>Borrowed shares held in trust, end of year</b>	<b>-</b>	<b>377,974</b>
<b>Total loaned shares outstanding</b>	<b>-</b>	<b>182,571</b>

The Company pays a commission fee to the lender of the borrowed shares in line with market conditions. The commission payable for a lending period of one calendar year is based on the par value of the maximum number of shares borrowed on a single day during this calendar year. In the years presented, the Company sold borrowed shares to raise funds, and the net proceeds were directly recorded in the other reserves.

## 16. EQUITY (cont'd)

### (b) Other reserves (cont'd)

The Company is entitled to return to the lender the same number of shares to be newly issued through a capital increase. The capital increase will be performed through settlement with the liability due to the shareholder and is expected to result in additional reserves from capital contributions (KER) for Swiss statutory accounting purposes, depending on the fair value of shares at the date of the capital increase. The Company has received approval of USD 60.2 million of KER by the Swiss tax authorities.

The Company's shareholders approved a capital band of 8,028,537 shares to be issued for repayment of loaned shares up to 13 July 2028 at the Annual General Meeting held on 13 July 2023. Additionally, the Company's shareholders approved a capital increase of 70,000,000 shares at the Extraordinary General Meeting held on 21 August 2024 for the conversion of debts of EUR 3,000,000 and USD 15 million plus accrued interest. The delivery of the shares remains outstanding and the amount is included in contributed surplus.

## 17. EARNINGS PER SHARE

The following table summarizes the calculation of basic and diluted weighted average number of common shares:

### (a) Basic earnings per share

	31 December 2024	kUSD 31 December 2023
<b>Profit/(loss) attributable to ordinary shareholders</b>	<b>(2,167)</b>	<b>(2,678)</b>
<b>Weighted average number of ordinary shares outstanding, basic and fully diluted</b>	<b>163,658,640</b>	<b>161,971,463</b>

### (b) Diluted earnings per share

The convertible bonds issued (note 9) and shares owing under the Security Lending Agreements have an anti-dilutive impact due to the losses incurred and are therefore not included in the calculation of diluted earnings per share. Based on the above assessment, the result of the basic earnings per share calculation for the financial periods presented does not deviate from the diluted earnings per share calculation.

## 18. OIL SALES

	2024	kUSD 2023
Oil sales to customers	3,371	3,443
Oil sales to governmental organizations	651	931
Royalties	(1,003)	(1,287)
<b>Total</b>	<b>3,019</b>	<b>3,087</b>

The share of production attributed to Albpetrol is recognized as oil sales to governmental organizations and offset by a charge to royalties in an equal amount. Royalties also include a flat royalty equal to 10% of oil sales revenue.

## 19. OPERATING EXPENSES

	2024	kUSD 2023
Personnel	(794)	(621)
Materials and repairs	(937)	(1,032)
Energy	(823)	(753)
Well servicing and leases	(28)	(16)
Transportation	(361)	(235)
Security and other	(310)	(228)
<b>Total</b>	<b>(3,253)</b>	<b>(2,885)</b>

## 20. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	kUSD 2023
Personnel	(2,702)	(2,963)
Office and communications	(239)	(186)
Professional fees	(833)	(628)
Tax and audit	(4)	(81)
Travel and subsistence	(254)	(150)
Financial advisory	(104)	(129)
Other	(184)	(268)
<b>Total</b>	<b>(4,320)</b>	<b>(4,405)</b>

Professional fees and financial advisory include costs related to the Company's efforts to complete its public listing and raise pre-listing funding.

## 21. FINANCE INCOME AND EXPENSE

### (a) Finance income

	2024	kUSD 2023
Interest income	562	-
Net foreign exchange gain	812	1'964
<b>Total</b>	<b>1'374</b>	<b>1'964</b>

### (b) Finance expense

	2024	kUSD 2023
Interest and bank charges	(125)	(1,199)
Other finance expenses	(1)	60
Accretion of decommissioning obligation	(14)	(14)
<b>Total</b>	<b>(140)</b>	<b>(1'153)</b>
<b>(a) + (b) Net finance income</b>	<b>1,234</b>	<b>811</b>

Other finance expenses are mainly commission fee expenses related to security lending agreements. Please refer to note 7 for additional information concerning the security lending agreement.

## 22. SEGMENT INFORMATION

The Company defines its reportable segments based on geographic locations.

For the year ended 31 December 2024, revenues of kUSD 3,371 (2023 - kUSD 3,443) were derived from a single customer.

Year ended 31 December 2024	Albania	Switzerland	kUSD Total
<b>Revenue</b>			
Oil sales	3,019	-	3,019
Other revenue	523	4	527
<b>Total operating revenues</b>	<b>3,542</b>	<b>4</b>	<b>3,546</b>
<b>Other income</b>	-	-	-
<b>Expenses</b>			
Operating	(3,253)	-	(3,253)
Sales and transportation	(54)	-	(54)
General & administrative	(1,527)	(2,793)	(4,320)
Depreciation and impairment	(35)	(172)	(207)
<b>Operating profit/(loss)</b>	<b>(1,327)</b>	<b>(2,961)</b>	<b>(4,288)</b>
Net finance income/(expense)	(330)	1,562	1,234
<b>Profit/(loss) before income tax</b>	<b>(1,657)</b>	<b>(1,397)</b>	<b>(3,054)</b>
Income tax income/(expense)	889	(2)	887
<b>Profit/(loss)</b>	<b>(768)</b>	<b>(1,399)</b>	<b>(2,167)</b>
<b>Assets, 31 December 2024</b>	<b>55,490</b>	<b>15,216</b>	<b>70,706</b>
<b>Liabilities, 31 December 2024</b>	<b>8,113</b>	<b>13,301</b>	<b>21,414</b>
<b>Additions to PP&amp;E</b>	<b>32</b>	<b>2</b>	<b>34</b>
<b>Additions to E&amp;E</b>	<b>1,131</b>	<b>-</b>	<b>1,131</b>

## 22. SEGMENT INFORMATION (cont'd)

Year ended 31 December 2023	Albania	Switzerland	kUSD Total
<b>Revenue</b>			
Oil sales	3,087	-	3,087
Other revenue	17	41	58
<b>Total operating revenues</b>	<b>3,104</b>	<b>41</b>	<b>3,145</b>
<b>Other income</b>			
<b>Expenses</b>			
Operating	(2,885)	-	(2,885)
Sales and transportation	(41)	-	(41)
General & administrative	(1,368)	(3,037)	(4,405)
Depreciation and impairment	(27)	(82)	(109)
<b>Operating profit/(loss)</b>	<b>(1,217)</b>	<b>(3,078)</b>	<b>(4,295)</b>
Net finance income/(expense)	(1,242)	2,053	811
<b>Profit/(loss) before income tax</b>	<b>(2,459)</b>	<b>(1,025)</b>	<b>(3,484)</b>
Income tax income/(expense)	808	(2)	806
<b>Profit/(loss)</b>	<b>(651)</b>	<b>(1,027)</b>	<b>(2,678)</b>
<b>Assets, 31 December 2024</b>	<b>55,808</b>	<b>16,950</b>	<b>72,758</b>
<b>Liabilities, 31 December 2024</b>	<b>8,153</b>	<b>16,573</b>	<b>24,726</b>
<b>Additions to PP&amp;E</b>	<b>12</b>	<b>511</b>	<b>523</b>
<b>Additions to E&amp;E</b>	<b>964</b>	<b>-</b>	<b>964</b>

## 23. SUBSEQUENT EVENTS

In June 2025, the Group finalized its preliminary offering memorandum for USD 150 million senior notes ("Notes") to be issued to persons that are not U.S. persons outside the United States in accordance with Regulation S under the United States Securities Act of 1933 as amended. The offering is expected to close in July 2025 to provide the capital required to execute the Company's business plan in oil and gas and renewable energy.