

Registered number: 422800

HYDROCARBURATES TRADE SERVICES LIMITED

**DIRECTORS REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

HYDROCARBURATES TRADE SERVICES LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 - 6
Independent Auditors' Report	7 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11 - 12
Company Statement of Financial Position	13 - 14
Consolidated Statement of Changes in Equity	15 - 16
Company Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18 - 19
Company Statement of Cash Flows	20
Notes to the Consolidated Financial Statements	21 - 60

HYDROCARBURATES TRADE SERVICES LIMITED

COMPANY INFORMATION

Directors	Pedro Picas de la Rosa Ralf Bomke Kieron Hayes
Company secretary	Gloria de Molina Roger
Registered number	422800
Registered office	Fitzwilliam Business Centre 26/27 Pembroke Street Upper Dublin 2
Trading Address	Calle Muntaner 240 Prat 08021 Barcelona Spain
Independent auditors	S&W Partners Audit (Ireland) Limited Chartered Accountants & Statutory Audit Firm Paramount Court Corrig Road Sandyford Business Park Dublin 18
Bankers	Allied Irish Bank IFSC Branch, IFSC Dublin 1
Solicitors	Uria Menéndez Solicitors Avenida Diagonal, 514 08006 Barcelona Spain
Date of incorporation	28 June 2006

HYDROCARBURATES TRADE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the audited parent and consolidated financial statements for the year ended 31 December 2024 for Hydrocarburates Trade Services Limited, and its subsidiaries ("the Group").

Principal activities

The principal activity of the group is the trading of petroleum coke, steam coke, solid and liquid resins and other commodities. The company has three subsidiaries - Hydrocarburates TS Morocco SARL ("HTS Morocco") in Casablanca, Morocco, Hydrocarburates TS Mexico SA de CV ("HTS Mexico") in Mexico City, Mexico and Spanish Hydrocarburates TS SLU ("HTS Spain") in Barcelona, Spain.

Review of business and future developments

The results for the financial year ended 31 December 2024 as set out in the Consolidated Statement of Comprehensive are:

- Gross profit for the year amounted to \$5,501,712 (2023: \$4,825,611)
- Profit after taxation for the year was \$707,305 (2023: \$761,176)
- Operating profit for the year was \$1,001,616 (2023: \$603,603)

The Group recorded a total comprehensive profit for the financial year under review of \$1,040,981 (2023: \$908,971) and the directors expect to sustain these results in the coming years.

During 2024, the price of some raw materials, such as petroleum coke, remained fairly stable, falling by around 2.5%.

The Euribor continued its downward trend, reaching 2.43% at the end of 2024 and continuing this trend in 2025. This has a very positive impact on the Group's financial results, as the Group finances most of its operations.

The conflict in Gaza does not have a negative influence on the distribution of the products that the Group sells.

In 2025, the Group decided to invest in sales personnel to expand the group's client portfolio. The directors are very satisfied with the results and this has given rise to a strong performance in 2025.

The directors are not expecting to make significant changes to the nature of the business in the near future.

Results and dividends

The profit for the year, after taxation, amounted to \$707,305 (2023: \$761,176).

The directors do not recommend payment of a final dividend.

HYDROCARBURATES TRADE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

The principal risks to which the Group and Company are exposed comprises:

Economic Risk

The risk of slower economic growth having an adverse impact on served markets. This is managed by maintaining and reducing the infrastructure costs. The directors continue to monitor the conflict in Ukraine and the Middle East. Despite the ongoing conflict in Ukraine, prices have fallen during the first half of and stabilized at the end of the year. The directors believe that the Group has sufficient resources in place to minimise any exposure. Demand for Group's products will still be required in the event of further disruption and the directors believe that the Group has the necessary skills and resources to be able to sign the financial statements on a going concern basis.

Suppliers/Clients Risk

There is a risk of relying on a small number of key customers and suppliers. At Group level, the loss of any suppliers would significantly impact the revenues and cost base. The Group minimizes this risk through the maintenance of good supplier relationships including ensuring frequent visits and honest communication. The Group's strategy is to attract and maintain a wide diverse range of clients, thus ensuring that it is not over reliant on any one customer.

Credit Risk

The Group minimises this risk by requesting customers with high value transactions to prepay for goods or by requesting a Letter of Credit from the customer's bank.

Environmental Risk

The Group operations could have an impact on the local environmental policies. To minimize this risk, the Group complies with all regulations and tries to reduce the environmental impact in all jurisdictions where it operates.

Product/Inventory Risk

The risk of loss or damage of the product by external causes, which are not under the control of the Group. The Group mitigates the risk by safeguarding inventory through cargo insurance and engaging reputable third parties for inventory storage.

Legal Risk

The risk of loss due to deficient product documentation; inadequate documentation in support of material contracts such as reinsurance treaties; the incorrect interpretation of changes in legislation; employment related disputes and claims; and commercial disputes with suppliers. The Group retains services of legal teams to ensure compliance with all regulation and to protect against litigation.

Financial Risk

The key financial risks facing the Group and the manner in which these risks have been managed are disclosed in Note 30 to the consolidated financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Operational Risk

Operational risk is the risk of direct or indirect loss arising from internal factors such as the Group's processes, personnel and infrastructure. There are also external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from the Group's operations such as the shipment of stock via sea which is mitigated by inventory management.

Directors' compliance statement

The directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for ensuring the Company's compliance with certain obligations specified in that Act.

The directors confirm that:

- a compliance policy statement has been drawn up setting out the company's policies with regard to such compliance;
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the company's relevant obligations, have been put in place; and
- a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the company's compliance with its relevant obligations.

Directors, secretary and their interests

In accordance with Section 329 of the Companies Act 2014, the shareholdings of the directors and company secretary and the movements thereon during the year ended 31 December 2024 were as follows:

	Ordinary shares at €1 each	
	31 Dec '24	1 Jan '24
Directors		
Ralf Bomke	11,400	11,400
Kieron Hayes	-	-
Pedro Picas (through ownership of Valtese PR)	7,600	7,600
Secretary		
Gloria de Molina Roger	-	-

There were no changes in shareholdings between 31 December 2024 and the date of signing the financial statements and all shares were beneficially held.

Political contributions

The Group made no political donations during the year, as defined by the Electoral Act 1997.

HYDROCARBURATES TRADE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the Group and Company financial statements, in accordance with applicable law.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU ("EU IFRS"), as applied in accordance with the provisions of the Companies Act 2014.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the Group and Company financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The directors have reviewed budgets, projected cashflows and other relevant information, and on the basis of this review, are confident that the company and the group will have adequate financial resources to continue in operational existence for a period of twelve months from the date the financial statements were approved by the directors.

The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. Consequently, they consider that it is appropriate to prepare the financial statements on a going concern basis.

HYDROCARBURATES TRADE SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's trading address at Calle Muntaner 240, Pral, 08021, Barcelona, Spain.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

Apart from the below, there have been no significant events affecting the Group since the end of the financial year, which would require adjustment to or disclosure in the financial statements.

In 2025, the company incorporated Hytraserv de Mexico SA de CV, a company registered in Santa Fe, Álvaro Obregón C.P. 01376, Ciudad de México.

Auditors

The auditors, S&W Partners Audit (Ireland) Limited, have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This Report was approved by the Board on

and signed on its behalf.

Ralf Bomke
Director



Pedro Picas de la Rosa
Director



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HYDROCARBURATES TRADE SERVICES LIMITED

Opinion

We have audited the consolidated financial statements of Hydrocarburates Trade Services Limited (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), as applied in accordance with the provisions of the Companies Act 2014.

In our opinion, the consolidated financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and the parent company as at 31 December 2024 and of the group's financial performance for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this Report.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HYDROCARBURATES TRADE SERVICES LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and consolidated financial statements, other than the consolidated financial statements and our auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

Based on the work undertaken in the course of the audit, we report that in our opinion:

- the information given in the Directors' Report is consistent with the financial statements;
- the Directors' Report has been prepared in accordance with applicable legal requirements;
- we have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HYDROCARBURATES TRADE SERVICES LIMITED (CONTINUED)

In preparing the consolidated financial statements, the directors are responsible for assessing the group's and the parent company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financialstatements/>.

This description forms part of our Auditors' Report.

The purpose of our audit work and to whom we owe our responsibilities

This Report is made solely to the company's shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders, as a body, for our audit work, for this Report, or for the opinions we have formed.


Grainne Stewart

for and on behalf of
S&W Partners Audit (Ireland) Limited

Chartered Accountants
Statutory Audit Firm

Paramount Court
Corrig Road
Sandyford Business Park
Dublin 18

Date: 9-12-2025

HYDROCARBURATES TRADE SERVICES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$	2023 (as restated) \$
Revenue	6	14,485,855	17,920,318
Cost of sales		(8,984,143)	(13,094,707)
		<u>5,501,712</u>	<u>4,825,611</u>
Gross profit			
Other operating income	7	152,878	276,062
Administrative expenses		(4,319,188)	(4,115,850)
		<u>1,335,402</u>	<u>985,823</u>
Profit from operations			
Finance income	8	18,054	6,765
Finance expense	9	(351,840)	(388,985)
		<u>1,001,616</u>	<u>603,603</u>
Profit before tax			
Tax (expense)/credit	12	(294,311)	157,573
		<u>707,305</u>	<u>761,176</u>
Profit for the year	4		
Other comprehensive income:			
Exchange differences on translating foreign operations		333,676	147,795
		<u>1,040,981</u>	<u>908,971</u>
Total comprehensive income			
Profit for the year attributable to:			
Owners of the parent		294,196	292,915
Non-controlling interests		413,109	468,261
	4	<u>707,305</u>	<u>761,176</u>
Total comprehensive income attributable to:			
Owners of the parent		604,499	417,275
Non-controlling interests		436,482	491,696
		<u>1,040,981</u>	<u>908,971</u>

All amounts relate to continuing operations.

The accompanying notes on pages 21 to 60 form an integral part of these financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 \$	2023 (as restated) \$
Assets			
Non-current assets			
Property, plant and equipment	13	2,394,048	2,734,339
Intangible assets	14	4,859	4,859
Deferred tax assets	16	574,617	470,239
		2,973,524	3,209,437
Current assets			
Inventories	18	3,287,029	2,127,262
Trade and other receivables	19	5,490,871	6,080,739
Cash and cash equivalents	20	732,903	497,460
		9,510,803	8,705,461
Total assets		12,484,327	11,914,898
Liabilities			
Non-current liabilities			
Trade and other liabilities	23	6,659	104,229
Loans and borrowings	24	394,725	528,715
Deferred tax liability	16	666	666
		402,050	633,610
Current liabilities			
Trade and other liabilities	23	2,528,707	3,669,694
Loans and borrowings	24	4,743,947	3,910,277
		7,272,654	7,579,971
Total liabilities		7,674,704	8,213,581
Net assets		4,809,623	3,701,317

HYDROCARBURATES TRADE SERVICES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	Note	2024 \$	2023 (as restated) \$
Equity			
Share capital	25	24,398	24,398
Translation reserve		533,103	222,800
Retained earnings	27	3,867,791	3,482,835
		<u>4,425,292</u>	<u>3,730,033</u>
Non-controlling interest	29	384,331	(28,716)
Total equity		<u>4,809,623</u>	<u>3,701,317</u>

The financial statements on pages 10 to 60 were approved and authorised for issue by the Board of Directors on and were signed on its behalf by:


Ralf Bomke
Director


Pedro Picas de la Rosa
Director

The accompanying notes on pages pages 21 to 60 form an integral part of these financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 \$	2023 (as restated) \$
Assets			
Non-current assets			
Investments	17	3,926,091	3,926,091
Trade and other receivables	19	938,429	996,899
Deferred tax assets	15	68,788	68,788
		4,933,308	4,991,778
Current assets			
Trade and other receivables	19	2,525,757	2,626,314
Cash and cash equivalents	20	23,739	15,030
		2,549,496	2,641,344
Total assets		7,482,804	7,633,122
Current liabilities			
Trade and other liabilities	23	1,630	681
Loans and borrowings	24	661,387	727,441
		663,017	728,122
Total liabilities		663,017	728,122
Net assets		6,819,787	6,905,000

HYDROCARBURATES TRADE SERVICES LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	Note	2024 \$	2023 (as restated) \$
Equity			
Share capital	25	24,398	24,398
Retained earnings	28	6,795,389	6,880,602
Total equity		<u>6,819,787</u>	<u>6,905,000</u>

The financial statements on pages 10 to 60 were approved and authorised for issue by the Board of Directors on and were signed on its behalf by:


Ralf Bomke
Director


Pedro Picas de la Rosa
Director

The accompanying notes on pages 21 to 60 form an integral part of these financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share capital \$	Translation reserve \$	Retained earnings \$	Total attributable to equity holders of parent \$	Non- controlling interest \$	Total equity \$
At 1 January 2024	24,398	222,800	3,482,835	3,730,033	(28,716)	3,701,317
Comprehensive income for the year						
Profit for the year	-	-	294,196	294,196	413,109	707,305
FX on translation	-	310,303	-	310,303	23,373	333,676
Total comprehensive income for the year	-	310,303	294,196	604,499	436,482	1,040,981
NCI share of retained earnings	-	-	-	-	(23,435)	(23,435)
Other obligations	-	-	90,760	90,760	-	90,760
	-	-	90,760	90,760	(23,435)	67,325
At 31 December 2024	24,398	533,103	3,867,791	4,425,292	384,331	4,809,623

The accompanying notes on pages 21 to 60 form an integral part of these financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital \$	Translation reserve \$	Retained earnings \$	Total attributable to equity holders of parent \$	Non- controlling interest \$	Total equity \$
At 1 January 2023 (as previously stated)	24,398	98,440	3,506,512	3,629,350	(496,976)	3,132,374
Prior year adjustment - correction of error	-	-	(297,791)	(297,791)	-	(297,791)
At 1 January 2023 (as restated)	24,398	98,440	3,208,721	3,331,559	(496,976)	2,834,583
Comprehensive income for the year						
Profit for the year	-	-	292,915	292,915	468,261	761,176
FX on translation	-	124,360	-	124,360	23,435	147,795
Total comprehensive income for the year	-	124,360	292,915	417,275	491,696	908,971
NCI share of retained earnings	-	-	-	-	(23,436)	(23,436)
Other obligations	-	-	(18,801)	(18,801)	-	(18,801)
	-	-	(18,801)	(18,801)	(23,436)	(42,237)
At 31 December 2023	24,398	222,800	3,482,835	3,730,033	(28,716)	3,701,317

The accompanying notes on pages 21 to 60 form an integral part of these financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share capital \$	Retained earnings \$	Total equity \$
At 1 January 2024	24,398	6,880,602	6,905,000
Comprehensive loss for the year	-	(85,213)	(85,213)
Loss for the year	-	(85,213)	(85,213)
Total comprehensive loss for the year	-	(85,213)	(85,213)
At 31 December 2024	<u>24,398</u>	<u>6,795,389</u>	<u>6,819,787</u>

	Share capital \$	Retained earnings \$	Total equity \$
At 1 January 2023	24,398	6,905,642	6,930,040
Comprehensive loss for the year	-	(25,040)	(25,040)
Loss for the year	-	(25,040)	(25,040)
Total comprehensive loss for the year	-	(25,040)	(25,040)
At 31 December 2023	<u>24,398</u>	<u>6,880,602</u>	<u>6,905,000</u>

The accompanying notes on pages 21 to 60 form an integral part of these financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 \$	2023 (as restated) \$
Cash flows from operating activities		
Profit for the year	707,305	761,176
Adjustments for		
Impairment of inventory	-	58,224
Depreciation of property, plant and equipment	480,318	444,633
Foreign exchange gain on operating activities	56	11,139
Finance expense	351,840	388,985
Finance income	18,054	(6,765)
Tax charge/(credit)	294,311	(157,573)
	1,851,884	1,499,819
Movements in working capital:		
Decrease/(increase) in trade and other receivables	589,868	(1,285,408)
(Increase)/decrease in inventories	(1,159,767)	1,127,320
(Decrease)/increase in trade and other payables	(1,140,987)	637,826
Decrease in other long-term liabilities	(97,570)	104,229
	43,428	2,083,786
Net cash generated from operating activities	43,428	2,083,786
Net cash from operating activities	43,428	2,083,786
Cash flows from investing activities		
Purchases of property, plant and equipment	(151,276)	(143,508)
Net cash used in investing activities	(151,276)	(143,508)

HYDROCARBURATES TRADE SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	\$	\$
Cash flows from financing activities		
Repayment of bank borrowings	(133,990)	(5,447,617)
Acquisition of short-term loan	519,290	3,582,088
Interest paid	(37,485)	(270,367)
Interest received	671	6,765
Payment of lease liabilities	(7,914)	-
Net cash from/(used in) financing activities	<u>340,572</u>	<u>(2,129,131)</u>
Net increase/(decrease) in cash and cash equivalents	232,724	(188,853)
Cash and cash equivalents at the beginning of year	497,460	832,317
Exchange gains/(loss) on cash and cash equivalents	2,719	(146,004)
Cash and cash equivalents at the end of the year	<u><u>732,903</u></u>	<u><u>497,460</u></u>

The accompanying notes on pages 21 to 60 form an integral part of these financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023 (as restated)
	\$	\$
Cash flows from operating activities		
Loss for the year	(85,213)	(25,040)
Adjustments for		
Foreign exchange loss on operating activities	-	8,899
Finance income	(26,488)	(31,061)
Finance expense	23,483	25,134
	(88,218)	(22,068)
Movements in working capital:		
Decrease in trade and other receivables	156,114	34,725
Increase in short term loans to connected companies	(29,069)	-
Increase in trade and other payables	(34)	(351)
Decrease in amounts owed by connected companies	58,470	-
Increase in other liabilities	984	-
	98,247	12,306
Net cash generated from operations		
	98,247	12,306
Cash flows from investing activities		
Cash receipt from short-term loan	-	27,031
Payments to loan	(52,053)	-
Interest paid	(37,485)	-
	(89,538)	27,031
Net cash (used in)/from investing activities		
Cash flows from financing activities		
Repayment of bank borrowings	-	(32,093)
	-	(32,093)
Net cash from/(used in) financing activities		
	8,709	7,244
Net increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of year	15,030	7,786
Cash and cash equivalents at the end of the year	23,739	15,030

The accompanying notes on pages 21 to 60 form an integral part of these financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

Hydrocarburates Trade Services Limited (the "Company") is a private company limited by shares (registered under Part 2 Companies Act 2014), incorporated in the Republic of Ireland. The registered office and its trading address is Calle Muntaner 240, Pral, 08021, Barcelona, Spain. These consolidated financial statements comprise the Company and its subsidiaries (together referred as the "Group") Hydrocarburates TS Morocco SARL, Hydrocarburates TS Mexico SA de CV, Hytraserv de Mexico Sa de CV and Spanish Hydrocarburates TS SLU incorporated in Morocco, Mexico and Spain respectively.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU ("EU IFRS"). The financial statements have been prepared on the historical cost basis.

2.2 Statement of compliance

As permitted by the European Union, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the EU ("EU IFRS").

The individual financial statements of the company ("company financial statements") have been prepared in accordance with the IFRSs as adopted by the EU and as applied in accordance with the Companies Act 2014 which permits a company that publishes its company and group financial statements together, to take advantage of the exemption in Section 304 of the Companies Act 2014, from presenting to its members its company Statement of Comprehensive Income and related notes that form part of the approved company financial statements.

The IFRSs adopted by the EU as applied by the company and the group in the preparation of these financial statements are those that were effective on or before 31 December 2024.

Standards and amendments to existing standards effective 1 January 2024.

The following standards, amendments and interpretations which became effective from 1 January 2024 are of relevance to the company and group:

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

Standard	Content	Applicable for years beginning on/after
IAS 1	Presentation of Financial Statements	1 January 2024
IFRS 16	Leases	1 January 2024
IAS 7	Statement of Cashflows	1 January 2024
IFRS 7	Financial Instruments	1 January 2024
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2	Climate-related Disclosures	1 January 2024

There was no material impact to the financial statements in the current year from these standards, amendments and interpretations.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company and group:

Standard	Content	Applicable for years beginning on/after
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2025
IFRS 7	Financial Instruments: Disclosures	1 January 2026
IFRS 9	Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

In the year ended 31 December 2024, the group did not early adopt any new or amended standards and do not plan to early adopt any of the standards issued but not yet effective.

There would not have been a material impact on the financial statements if these standards had been applied in the current year.

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.3 Basis of consolidation

The financial statements reflect the consolidation of the results, the assets and the liabilities of the parent undertaking and its subsidiaries.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquirer's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Functional and presentation currency

The consolidated financial statements are presented in US Dollar (USD\$), which is the Group's functional currency.

2.5 Foreign currencies

Monetary assets and liabilities denominated in a foreign currency are translated into US Dollar at the exchange rate ruling at the reporting date, unless specifically covered by foreign exchange contracts where upon the contract rate is used. Revenues, costs and non-monetary assets are translated at the exchange rates ruling at the dates of the transactions. Where consideration is received in advance of the revenue being recognised, the date of the transaction reflects the date the consideration was received. All exchange differences are dealt with through the Consolidated Statement of Comprehensive Income.

On consolidation, the assets and liabilities of overseas subsidiaries are translated into US Dollar at the rates of exchange prevailing at the reporting date. Exchange differences arising from the restatement of the opening Statement of Financial Positions of these subsidiary companies are dealt with through Other Comprehensive Income. The operating results of overseas subsidiary companies are translated into US Dollar at the average rates applicable during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.6 Revenue

Revenue arises from the sale of petroleum coke and steam oil. The Group also acts as agent in some transactions the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission received by the Group.

To determine whether to recognise revenue, the group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when performance obligations are satisfied.

A contract exists for every customer and is usually signed for each shipment. For the larger customers, an annual contract is signed. This contract identifies each party's rights in relation to the goods. Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of petroleum coke and steam oil, cost insurance and freight (CIF) transfer occurs at port of entry. In case of CFR Incoterm (cost, freight), risk is transferred to the buyer once the material is loaded on the vessel. Once the goods are considered delivered, the Group has no further obligation and revenue is recognised. The allocation of the transaction price to the separate performance obligations is based on the relative standalone selling prices of the goods promised and is made at inception of the contract.

Revenue is recognised at a point in time, when (or as) the Group satisfies the performance obligation by delivering the goods to the customer. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

2.7 Interest Income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.8 Finance Income

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as the interest accrues using the effective interest rate method to the net carrying amount of the financial asset.

2.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Long-term Liabilities

The group's net obligation for long-term direct benefits (except for deferred ESPS) that are expected to be paid by the Group after twelve months from the date of the most recent statement of financial position is the amount of future benefits that employees have obtained in exchange for their service in the current and prior periods. In 2024 this balance is USD 6,659 (2023: USD 104,229).

2.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in Statement of Comprehensive Income except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or equity respectively.

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 recognised using the liability method, providing for 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 recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. 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 realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividends is recognised.

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.12 Employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in other employee obligations, measured at the undiscounted amount that the group expects to pay as a result of the unused entitlement and expensed as the related service is provided to the group. In Mexico, employees are entitled to a percentage of the 10% of the company's pre-tax profits. This system ensures a direct benefit from corporate successes to the workers, reflecting a strong commitment to sharing economic gains. This balance is recognized in the Consolidated Statement of Comprehensive Income in the year.

2.13 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Plant	10 years
Equipment	3 years

The residual value and useful lives of the property, plant and equipment are reviewed annually and adjusted if appropriate at each reporting date.

2.14 Goodwill and impairment

Goodwill is the excess of the cost of an acquisition over the Group share of the fair value of the identifiable assets and liabilities acquired. When the fair value of the identifiable assets and liabilities acquired exceeds the cost of a combination the values are readdressed and any remaining gain is recognised immediately in profit or loss. Goodwill is allocated to the groups of cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination. This is the lowest level at which goodwill is monitored for internal management purposes. After initial recognition goodwill is measured at cost less any accumulated impairment losses.

Goodwill is subject to impairment testing on an annual basis, at a consistent time each year and, at any time an impairment indicator is considered to exist. Impairment is determined by comparing the carrying amount to the recoverable amount of the groups of CGUs to which the goodwill relates.

The recoverable amount is the greater of: fair value less costs to sell, and value-in-use, determined by the present value of the cash flows generated by an asset or a cash generating unit. When the recoverable amount of the groups of CGUs is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a group of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation is disposed or is included in the carrying amount or the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the group or CGUs retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.15 Leases

Group as a lessee

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

A right of use asset and a lease liability are recognised for all leases except leases of low value assets, which are considered to be those with a fair value below \$5,000, and those with a duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, and initial direct costs incurred by the group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The group will depreciate the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Where impairment indicators exist, the right of use asset will be assessed for impairment.

The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the group's incremental borrowing rate. After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

2.16 Investments in subsidiaries

Investments in subsidiaries are held at cost less any provision for any permanent diminution in value. Income from these investments is recognised in the Statement of Comprehensive Income in the year in which it is receivable.

2.17 Inventories

Inventory is stated at the lower of cost and net realisable value. The cost of inventories is based on the first in first out principle. In the case of finished goods and work in progress, cost is defined as the aggregate cost of raw material, direct labour and the attributable proportion of direct production overheads based on a normal level of activity. Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and disposal.

2.18 Cash and cash equivalents

Cash at bank and in hand includes cash in hand and deposits held at call with banks. These are subject to insignificant risk of changes in fair value, as a result of a past event, and are used by the Group in the management of its short-term commitments. Cash at bank and in hand are carried at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.19 Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented the group does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the Statement of Comprehensive Income are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group's and company's cash and cash equivalents, trade and most other receivables and long-term receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. In prior year, long-term receivables were classified at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and trade receivables, recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a customer by customer basis.

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables and other short-term and long-term debts.

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.20 Contingencies

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised, but are disclosed where an inflow of economic benefit is probable.

2.21 Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are measured at the estimated expenditure required to settle a present legal or constructive obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

2.22 Share capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a reduction in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.23 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with EU IFRS requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience from various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements in the following areas:

Useful lives of depreciable assets

Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future index price or other market-driven changes that may reduce future selling prices.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Valuation of investments

Investments are initially recognised at cost. Valuation of investments is done via the Value in Use model, which involves estimation of forecasted cashflows for period not less than five years, based on expected year on year growth. These cashflows are then discounted to present values to obtain estimated value of each investee. The directors regularly review these valuations and change them if necessary to reflect current conditions. Where events or conditions are identified with impact on the fair value of the assets, the directors will adjust the valuation accordingly.

Bad debt provision

The group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. See note 14 for the carrying values of the trade and other receivables for the financial year and prior year.

Impairment of property, plant and equipment

The group assesses impairment on property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business;
- Significant negative industry or economic trends.

In determining the estimated group cash flows expected to be generated from continued use of the assets, the group is required to make estimates and assumptions that can materially affect the financial statements. These assets are reviewed for impairment whenever events of changes in circumstances indicate the carrying amount may not be recoverable.

2.24 Comparatives

The comparative figures have been regrouped and restated where necessary on the same basis of those for the current period.

3. Going concern

The Group has positive net assets together with revenue streams across different geographic areas. As a consequence, the directors believe that the Group and company is well placed to manage its business risks successfully. The Group and company also has significant reserves to absorb losses for a number of years. After making enquiries and reviewing the group's forecasts and projections, the directors have reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. The shareholders have also confirmed continued financial support to the company. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4. EBITDA - Group

	2024	2023
	\$	\$
Revenue	14,485,855	17,920,318
Cost of sales	(8,984,143)	13,094,707
Gross profit	5,501,712	4,825,611
Other income	152,878	276,062
Staff cost	(722,372)	(643,453)
Other operating expenses	(3,116,498)	(3,016,625)
Earnings before interests, taxes, depreciation and amortisation	1,815,720	1,441,595
Depreciation	(480,318)	(444,633)
Earnings before interests and taxes	1,335,402	996,962
Finance cost - net	(333,786)	(382,220)
Other gains and losses	-	(11,139)
Operating profit	1,001,616	603,603
Tax charge	(398,688)	(25,833)
Deferred tax income	104,377	183,406
Profit for the financial year from continuing operations	707,305	761,176

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5. Profit on ordinary activities before taxation

	2024	2023 (as restated)
	\$	\$
Profit on ordinary activities before taxation is stated after charging/ (crediting):		
Directors salaries	15,563	15,595
Auditors' remuneration	79,359	80,639
Difference on foreign exchange	56	(11,139)
Depreciation	480,318	444,633
	575,296	529,728
	575,296	529,728

6. Revenue

The following is an analysis of the Group's revenue from continuing operations by reportable segment:

	2024	2023
	\$	\$
Retail goods transferred at a point in time	14,485,855	17,920,318
	14,485,855	17,920,318
	14,485,855	17,920,318

Revenue disaggregated by primary geographical market is as follows:

Morocco	8,350,114	8,616,171
Mexico	4,152,382	8,037,006
Guatemala	1,983,359	1,258,600
USA	-	8,541
	14,485,855	17,920,318
	14,485,855	17,920,318

7. Other operating income

	2024	2023
	\$	\$
Income from hedging operations	43,170	35,287
Other income	109,708	240,775
	152,878	276,062
	152,878	276,062

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8. Finance income		
	2024	2023
	\$	\$
Interest receivable	18,054	6,765
	<u>18,054</u>	<u>6,765</u>
9. Finance expense		
	2024	2023
	\$	\$
Loan interest payable	351,840	388,985
	<u>351,840</u>	<u>388,985</u>

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

10. Employee benefit expenses

Group

	2024 \$	2023 (as restated) \$
Employee benefit expenses (including directors) comprise:		
Wages and salaries	575,508	459,549
Social insurance cost	123,277	159,839
Defined contribution pension cost	23,587	24,065
	722,372	643,453

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, including any directors of the group. The directors are considered key management of the company. The compensation paid or payable to the key management for employee services during the year is shown below:

	2024 \$	2023 \$
Salary	15,563	15,595
	15,563	15,595

The monthly average number of persons, including the directors, employed by the group during the year was as follows:

	2024 No.	2023 No.
Management	1	1
Admin	21	21
	22	22

There were no payments made to any third party for their services as directors in this Group (2023: \$Nil).

11. Retirement benefit costs - Group

Retirement benefit costs amounted to \$23,587 (2023: \$24,065). The group operates a defined contribution pension scheme. Contributions are charged to the Consolidated Statement of Comprehensive Income in the year in which they fall due. The assets of the scheme are held separately from those of the group in an independently administered fund.

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. Tax expense		2024	2023
		\$	\$
Current tax			
Current tax on profits for the year	398,688		25,833
Total current tax	<u>398,688</u>		<u>25,833</u>
Deferred tax expense			
Trading losses	(104,377)		(183,406)
Total deferred tax	<u>(104,377)</u>		<u>(183,406)</u>
	<u>294,311</u>		<u>(157,573)</u>
Total tax expense	294,311		(157,573)
Tax credit	<u>294,311</u>		<u>(157,573)</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the Republic of Ireland applied to profits for the year are as follows:

	2024	2023
	\$	\$
Profit for the year	707,305	761,176
Income tax credit/expense (including income tax on associate, joint venture and discontinued operations)	294,311	(157,573)
Profit before income taxes	<u>1,001,616</u>	<u>603,603</u>
Tax using the company's domestic tax rate of 12.5% (2023: 12.5%)	125,202	75,450
Expenses not deductible for tax purposes	-	47,441
Other timing differences	-	18,037
Losses carried forward	-	(155,612)
Adjustment for tax rate differences in foreign jurisdictions	273,486	40,517
Deferred tax movement	<u>(104,377)</u>	<u>(183,406)</u>
Total tax expense	<u>294,311</u>	<u>(157,573)</u>

Factors that may affect future tax charges:

A deferred tax asset of \$574,617 for the group (2023: \$470,239) and \$68,788 for the company (2023: \$68,788) associated with trading loss carried forward has been recognised, as the group and company deems that it is probable that the temporary difference will reverse in the foreseeable

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. Tax expense (continued)

(continued)

future.

13. Property, plant and equipment

Group

	Plant \$	Equipment \$	Total \$
Cost or valuation			
At 1 January 2023	4,375,856	238,916	4,614,772
Additions	143,508	-	143,508
Foreign exchange movements	(8,581)	-	(8,581)
	4,510,783	238,916	4,749,699
At 31 December 2023			
Additions	151,276	-	151,276
Disposals	-	(13,427)	(13,427)
Foreign exchange movements	2,178	-	2,178
	4,664,237	225,489	4,889,726
At 31 December 2024			
	Plant \$	Equipment \$	Total \$
At 1 January 2023	1,370,726	200,001	1,570,727
Charge owned for the year	429,870	14,763	444,633
	1,800,596	214,764	2,015,360
At 31 December 2023			
Charge owned for the year	469,613	10,705	480,318
	2,270,209	225,469	2,495,678
At 31 December 2024			
Net book value			
At 1 January 2023	3,005,130	38,915	3,044,045
At 31 December 2023	2,710,187	24,152	2,734,339
At 31 December 2024	2,394,028	20	2,394,048

14. Intangible assets

Goodwill was recognised in 2018 amounting to \$4,859 following acquisition of Spanish Hydrocarburates TS SL shares. No impairment was recognised in 2023 and 2024.

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

15. Deferred tax - Company

The recognised deferred tax assets of the company are as follows:

	2024 \$	2023 \$
Deferred tax asset		
Available trading losses	68,688	68,788

The movement in deferred tax during the financial year is as follows:

	2024 \$	2023 \$
As at 1 January	68,788	68,788
Movement during the financial year	-	-
As at 31 December	68,788	68,788

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

16. Deferred tax - Group

The recognised deferred tax assets and liabilities of the Group are as follows:

	2024	2023
	\$	\$
Deferred tax assets		
Available trading losses	470,239	259,039
Added trading losses	104,378	183,406
Net exchange variance	-	27,794
	<u>574,617</u>	<u>470,239</u>
	<u>574,617</u>	<u>470,239</u>

The movement in deferred tax during the financial year is as follows:

	2024	2023
	\$	\$
As at 1 January	470,239	259,039
Movement during the financial year	104,378	183,406
Net exchange variance	-	27,794
	<u>574,617</u>	<u>470,239</u>
As at 31 December	<u>574,617</u>	<u>470,239</u>

The accounting policy for deferred tax is to calculate the deferred tax asset that is deemed recoverable, considering all sources for future taxable profits.

	2024	2023
	\$	\$
Unrecognised deferred tax		
Tax value of losses carried forward not recognised	-	164,584
	<u>-</u>	<u>164,584</u>

	2024	2023
	\$	\$
Deferred tax liability	666	666
	<u>666</u>	<u>666</u>

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

17. Investments in subsidiaries - Company

	2024 \$	2023 \$
As at 1 January	3,926,091	3,926,091
As at 31 December	3,926,091	3,926,091

Details of the group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Registered office	Place of incorporation and operation	Proportion of ownership interest and voting power held by the group (%)	
			2024	2023
1) Hydrocarburates TS Morocco SARL	59, Rue Rahal Ben Ahmed RDC Roches noires Casablanca, Morocco	Morocco	51	51
2) Hydrocarburates TS Mexico SA de CV	Edificio German Centre Av. Santa Fe 170 Piso 4, oficina 4-2-12 Col. Santa Fe, Álvaro Obregón C.P. 01376, Ciudad de México	Mexico	99.9	99.9
3) Spanish Hydrocarburates TS SLU	Calle Muntaner 240 pral 2 08021 Barcelona Spain	Spain	100	100
4) Hytraserv de Mexico Sa de CV	Edificio German Centre Av. Santa Fe 170 Piso 4, oficina 4-2-12 Col. Santa Fe, Álvaro Obregón C.P. 01376, Ciudad de México	Mexico	99.9	-

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

18. Inventories

Group

	2024	2023
	\$	\$
Finished goods	3,287,029	2,127,262

The cost of inventories recognised as an expense includes €NIL in respect of write-downs of inventory to net realisable value (2023: \$58,224).

The replacement cost of inventory is not considered to be materially different from the reported value per the Consolidated Statement of Financial Position.

19. Trade and other receivables

	Group	Group 2023 (as restated)	Company	Company 2023 (as restated)
	2024	2023	2024	2023
	\$	\$	\$	\$
Amounts falling due within one year:				
Trade receivables	4,314,177	4,985,084	-	-
Amounts owed by group companies	-	-	2,525,757	2,626,314
Other debtors	297,144	525,776	-	-
VAT receivable	720,737	446,112	-	-
Prepayments	158,813	123,767	-	-
	5,490,871	6,080,739	2,525,757	2,626,314

Trade receivables are repayable on demand, and interest free. The net carrying value of trade receivables is considered a reasonable approximation of fair value. The term of the group receivable balance is 90 days from invoice.

	Company	Company
	\$	2023 \$
Amounts falling due after more than one year:		
Group companies' long-term loans	938,429	996,899
	938,429	996,899

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

20. Cash and cash equivalents

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Cash and cash equivalents	732,903	497,460	23,739	15,030
	<u>732,903</u>	<u>497,460</u>	<u>23,739</u>	<u>15,030</u>

The carrying amount of the cash at bank and in hand is considered a reasonable approximation of its fair value.

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

21. Related parties

	2024	2023
	\$	\$
Consultancy group fees		
CemConnect	78,161	88,634
Valtese PR SL	78,671	117,751
PEC Consultancy	248,747	136,215
	405,579	342,600
	405,579	342,600

During the financial year, the Group incurred consultancy fees of \$84,445 (2023: \$88,634) from CemConnect, a company incorporated in Germany. The director, Mr. Ralf Bomke, is a director and sole shareholder of CemConnect. There were \$37,400 (2023: \$53,040) of fees payable at year-end. Payment terms agreed are 15 days from invoice date.

During the financial year, the Group incurred consultancy fees of \$110,006 (2023: \$117,751) from Valtese PR, SL - a company incorporated in Spain. The director, Mr. Pedro Picas, is a director and majority shareholder of Valtese PR, SL. There were \$Nil (2023: \$16,045) of fees payable at year-end. Payment terms agreed are 15 days from invoice date.

During the financial year, the Group incurred consultancy fees of \$244,468 (2023: \$136,215) from PEC Consulting SARL, a company incorporated in Morocco. Mr. Scofferi is the main shareholder of this company and also the shareholder of 24.5% of Hydrocarbures TS Morocco SARL. There were \$Nil (2023: \$11,183) of fees payable at year-end. Payment terms agreed are 15 days from invoice date.

On 1 July 2019, The company obtained a loan from Mr. Massimo Scofferi amounting to €150,000 (\$185,100). On 1 January 2024 the company signed a third addendum to extend the repayment date to 31 December 2025. During the year, the company repaid €55,000. The balance payable at year end is €95,000 (\$98,696).

On 18 December 2019, the company obtained a loan from Valtese PR SL amounting to €200,000 (\$246,800). On 1 January 2024 the parties signed a third addendum to extend the repayment date to 31 December 2024. The balance payable at year end is €201,905 (\$209,759).

On 20 July 2023, the group obtained a loan from Valtese PR SL amounting to €230,000. During the year, the company repaid €230,000. The balance payable at year end is €Nil.

On 24 January 2020, the company obtained a loan from Mr Ralf Bomke amounting to €500,000 (\$551,550). On 1 January 2024, the parties signed a third addendum to extend the repayment date to 31 December 2025. The balance payable at year end is €318,000 (\$330,370).

There were no amounts due from the directors to the group at any date during the year.

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023 (as restated)
	\$	\$
Trade receivables from subsidiaries		
HTS Morocco	2,416,900	2,573,014
HTS Spain	459,986	475,762
HTS Mexico	587,300	574,437
	3,464,186	3,623,213

22. Financial instruments

	Group	Group 2023 (as restated)	Company	Company 2023 (as restated)
	2024	2023	2024	2023
	\$	\$	\$	\$
Financial assets				
Financial assets measured at fair value through profit or loss	732,903	497,460	3,949,830	3,941,121
Financial assets measured at amortised cost	4,611,321	5,510,860	3,464,186	2,626,314
	5,344,224	6,008,320	7,414,016	6,567,435
Financial liabilities				
Financial liabilities measured at amortised cost	5,527,912	6,293,817	1,612	310
	5,527,912	6,293,817	1,612	310

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents and investments in subsidiaries.

Financial assets that are debt instruments measured at amortised cost comprise of trade receivables, group receivables and other debtors.

Financial liabilities measured at amortised cost comprise of trade payables, group payables, bank loans and other creditors.

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

23. Trade and other payables

	Group 2024 \$	Group 2023 (as restated) \$	Company 2024 \$	Company 2023 (as restated) \$
Non- current				
Employee benefits	6,659	104,229	-	-
Total non- current trade and other payables	<u>6,659</u>	<u>104,229</u>	<u>-</u>	<u>-</u>
Current				
Trade payable	1,387,206	3,103,244	376	410
Other Creditors	51,487	48,975	1,236	-
Accruals	-	23,677	-	-
Taxes payable	1,090,014	493,798	18	271
Total current trade and other payables	<u>2,528,707</u>	<u>3,669,694</u>	<u>1,630</u>	<u>681</u>

The group's net obligation for long-term direct benefits (except for deferred ESPS) that are expected to be paid by the Group after twelve months from the date of the most recent statement of financial position is the amount of future benefits that employees have obtained in exchange for their service in the current and prior periods. In 2024 this balance is \$ 6,659 (2023: \$104,229).

24. Loans and borrowings

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Non-current				
Debt with related parties	342,706	338,041	-	-
Bank loans	-	190,674	-	-
Finance leases	52,019	-	-	-
	<u>394,725</u>	<u>528,715</u>	<u>-</u>	<u>-</u>
Current				
Bank loans	4,082,560	2,846,695	-	-
Debt with related parties	661,387	1,063,582	661,387	727,441
	<u>4,743,947</u>	<u>3,910,277</u>	<u>661,387</u>	<u>727,441</u>

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

25. Share capital

Authorised

	2024 Number	2024 \$	2023 Number	2023 \$
Shares treated as equity				
Ordinary shares of €1.00 each	1,000,000	1,284,100	1,000,000	1,284,100
	1,000,000	1,284,100	1,000,000	1,284,100

Issued and fully paid

	2024 Number	2024 \$	2023 Number	2023 \$
Ordinary shares of €1.00 each				
At 1 January	19,000	24,398	19,000	24,398
At 31 December	19,000	24,398	19,000	24,398

26. Translation Reserve

	2024 \$	2023 \$
As at 1 January	222,800	98,440
Foreign exchange	310,303	124,360
	533,103	222,800

The translation reserve relates to the recognition of foreign exchange differences in translation.

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

27. Retained earnings - Group

	2024	2023
	\$	\$
As at 1 January	3,482,835	3,208,721
Profit during the financial year	294,196	292,915
Other equity	90,760	(18,801)
	3,867,791	3,482,835

This reserve relates to the cumulative retained earnings allocated to controlling interests less amounts distributed to shareholders.

28. Retained earnings - Company

	2024	2023
	\$	\$
As at 1 January	6,880,602	6,905,642
(Loss) during the year	(85,213)	(25,040)
	6,795,389	6,880,602

This reserve relates to cumulative retained earnings less amounts distributed to shareholders.

29. Non-controlling Interest

	2024	2023
	\$	\$
As at 31 January	(28,716)	(496,976)
Share of profit for the year	413,109	468,261
Foreign exchange	23,373	23,435
Non-controlling interest share of Retained Earnings (Including transfers to Parent)	(23,435)	(23,436)
As at 31 December	384,331	(28,716)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out in note 30.

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

30. Non-controlling interest summary

	31 December 2024	31 December 2023
HTS Morocco		
NCI Percentage	49%	49%
Non-current assets	=	-
Property, plant and equipment	3,006,585	3,324,795
Current assets	5,502,790	4,793,973
Non-current liabilities	(1,057,786)	(1,053,121)
Current liabilities	6,762,645	(7,219,910)
Net Assets/(liabilities)	688,944	(154,263)
Carrying amount of NCI	(28,716)	(496,976)
Revenue	8,350,114	8,616,171
Total comprehensive income	843,080	955,634
Profit allocated to NCI	413,109	468,261

31. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The group has exposure to the following risks:

- a. Credit risk;
- b. Liquidity risk; and
- c. Market risk

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk and the group's management of capital.

(a) Credit risk

Credit risk is the risk of financial loss to the group if counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk at the Statement of Financial Position date was:

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Company credit risk	Note	31 December 2024	31 December 2023 (as restated)
		\$	\$
Cash at bank and in hand	(19)	23,739	15,030
Short-term trade and other receivables	(18)	2,525,757	2,626,314
Long-term receivables	(18)	938,429	996,899
		<u>2,549,496</u>	<u>3,638,243</u>

The company's management considers that all of the above financial assets that are not impaired or past due for each of the 31 December reporting dates under review are of good credit quality.

Group credit risk	Note	31 December 2024	31 December 2023
		\$	\$
Cash at bank and in hand	(19)	732,903	497,460
Trade and other receivables	(18)	5,332,058	5,956,973
		<u>6,064,961</u>	<u>6,454,433</u>

The directors monitor the receivables of the group on a monthly basis. The group ensures the collections of the other sales to other customers, and therefore trade receivables, by requesting a letter of credit in its favour before the sale transaction occurs.

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Cash at bank and in hand

Substantially all of the cash held by Hydrocarburates Trade Services Limited is held by Allied Irish Bank Plc with respect to the cash held to be delayed or limited. The directors monitor this risk by monitoring the credit quality of each bank on a regular basis.

If the credit quality or the financial position of Allied Irish Bank Plc were to deteriorate significantly the directors would consider moving the cash holdings to another bank.

The cash of the subsidiaries are held by Credit Agricole (Morocco), CIBanco (Mexico), Banco Santander (Spain), Allied Irish Bank (Ireland), Caixabank S.A. (Spain), Scotiabank (Mexico), Abanca (Spain), Banco Sabadell Casablanca (Morocco), Deutsche Bank (Spain), Bankinter SA (Spain), HSBC México, S.A (Mexico), BBVA (Spain), IXE Banco (Mexico), BMCE (Morocco), and Banco Monex SA (Mexico).

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

At the Statement of Financial Position date none of the financial assets were past due nor impaired. According to the financial services company Standard and Poor's, the credit rating was as follows:

	% Holding	2024	2023
Credit Agricole	90.67%	A-	A-
Allied Irish Bank	3.24%	BBB-	BBB-
Petty cash	1.61%	-	-
BBVA	1.05%	A-	A-
Caixabank SA (Spain)	0.95%	BBB	BBB
CIBanco	0.63%	A-	A-
Banco Santander	0.46%	BBB	BBB
Banco Sabadell (Casablanca)	0.35%	BBB-	BBB-
Scotiabank	0.35%	A+	A+
IXE Banco	0.21%	A+	A+
Deutsche Bank	0.14%	BBB+	BBB+
Bankinter SA	0.13%	BBB+	BBB+
HSBC Mexico SA	0.09%	BBB	BBB
BMCE	0.06%	A-	A-
Abanca	0.06%	BB+	BB+

The group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December 2024 and 31 December 2023 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

<i>All amounts stated in USD (\$)</i>	Current	Trade receivables days past due			Total
		More than 30 days	More than 60 days	More than 90 days	
31 December 2024					
Expected credit loss rate	-	-	-	-	-
Gross carrying amount	1,342,589	596,071	623,723	1,751,794	4,314,177
Lifetime expected credit loss	-	-	-	65,290	65,290

<i>All amounts stated in USD (\$)</i>	Current	Trade receivables days past due			Total
		More than 30 days	More than 60 days	More than 90 days	
31 December 2023					
Expected credit loss rate	-	-	-	24%	-
Gross carrying amount	2,114,053	760,602	201,457	1,888,462	4,964,574
Lifetime expected credit loss	-	-	-	65,290	65,290

The closing balance of the trade receivables loss allowance as at 31 December 2024 reconciles the trade receivables loss allowances opening balance as follows:

	\$
Opening loss allowance as at 1 January 2023	64,251
Loss allowance recognised during the year	1,039
Loss allowance as at 31 December 2023	<u>65,290</u>
Loss allowance recognised during the year	-
Loss allowance unused and reversed during the year	-
Loss allowance as at 31 December 2024	<u>65,290</u>

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Group.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Company liquidity risk:

<i>All amounts stated in USD (\$)</i>	Note	Less than 1 month	1-3 months	3 months to 1 year	No stated maturity	Total
31 December 2024						
<i>Total liabilities</i>						
Trade and other payables	(22)	1,630	-	-	-	1,630
Short-term debt	(23)	<u>-</u>	<u>-</u>	<u>661,387</u>	<u>-</u>	<u>661,387</u>
Total		<u>1,630</u>	<u>-</u>	<u>661,387</u>	<u>-</u>	<u>663,017</u>
<i>All amounts stated in USD (\$)</i>	Note	Less than 1 month	1-3 months	3 months to 1 year	No stated maturity	Total
31 December 2023						
<i>Total liabilities</i>						
Trade and other payables	(22)	681	-	-	-	681
Short-term debt	(23)	<u>-</u>	<u>-</u>	<u>727,441</u>	<u>-</u>	<u>727,441</u>
Total		<u>681</u>	<u>-</u>	<u>727,441</u>	<u>-</u>	<u>728,122</u>

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Group liquidity risk

<i>All amounts stated in USD (\$)</i>	Note	Less than 1 month	1-3 months	3 months to 1 year	No stated maturity	Total
31 December 2024						
<i>Total liabilities</i>						
Trade and other payables	(22)	1,425,832	713,432	389,442	-	2,528,707
Short-term debt	(23)	<u>660,926</u>	<u>1,412,657</u>	<u>2,670,365</u>	-	<u>4,743,947</u>
Total		<u><u>2,086,758</u></u>	<u><u>2,126,089</u></u>	<u><u>3,059</u></u>	-	<u><u>7,272,654</u></u>

<i>All amounts stated in USD (\$)</i>	Note	Less than 1 month	1-3 months	3 months to 1 year	No stated maturity	Total
31 December 2023						
<i>Total liabilities</i>						
Trade and other payables	(21)	1,872,726	848,943	495,911	452,114	3,669,694
Short-term debt	(21)	<u>365,496</u>	<u>1,271,808</u>	<u>2,272,973</u>	-	<u>3,910,277</u>
Total		<u><u>2,238,222</u></u>	<u><u>2,120,751</u></u>	<u><u>2,768,884</u></u>	<u><u>452,114</u></u>	<u><u>7,579,971</u></u>

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The group is also exposed to fluctuations in the market price of petroleum coke; the price of petroleum coke can vary, and as a consequence, losses to the group can occur on inventories held. The group seeks to minimise its exposure to market risk by minimising the period that stock is held to reduce the exposure to fluctuating market prices.

(i) Currency risk

Currency risk is the risk that fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange. The group is exposed to exchange rate movements between the US Dollar (USD), its presentation and the functional currencies, Euro (EUR), Moroccan dirham (MAD) and Mexican peso (MXN).

HYDROCARBURATES TRADE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(ii) Sensitivity Analysis

The total cash at bank (Note 19) which is held in a currency other than the presentation currency totals \$718,021. This relates to cash denominated in Euro (\$31,407), Moroccan dirhams (\$679,345) and Mexican peso (\$7,269).

90.67% of the group's total cash balance is held in Credit Agricole (Morocco), 3.24% in Allied Irish Bank (Ireland), 1.61% in petty cash, 1.05% in BBVA (Spain), 0.95% in Caixabank SA (Spain), 0.63% in CIBanco, 0.46% in Banco Santander (Spain), 0.35% in Banco Sabadell (Morocco), 0.21% in IXE Banco (Mexico), 0.14% in Deutsche Bank SA (Spain), 0.13% in Bankinter SA (Spain), 0.09% in HSBC Mexico SA (Mexico), 0.06% in BMCE (Morocco), 0.06% in Abanca SA (Spain).

The following table sets out the group's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary and non-monetary assets and liabilities:

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Company sensitivity analysis	31 December 2024		31 December 2023	
	Total Euro	Total USD	Total EUR	Total USD
Monetary assets				
Cash at bank and in hand	22,807	23,695	13,562	3,701,317
Tax reclaims receivable	-	-	-	(497,460)
Prepaid fees	-	-	-	-
Long-term loan receivable	373,731	388,269	446,055	-
Total monetary assets	396,539	411,964	459,617	490,748
Monetary liabilities				
Trade payables	(1,569)	(1,630)	(616)	(657)
Short-term debt	(636,632)	(661,388)	(682,019)	(727,441)
Total monetary liabilities	(638,192)	(663,018)	(682,635)	(728,098)
Net exposure	(241,654)	(251,054)	(223,018)	(237,350)
Group sensitivity analysis				
		31 December 2024		
	Total Euro	Total MAD	Total MXN	Total USD
Monetary assets				
Cash at bank and in hand	30,231	6,869,131	147,335	718,021
Tax reclaims receivable	-	-	17,346,022	855,820
Prepaid fees	11,976	28,575	2,909,400	158,812
Trade receivable	84,096	24,946,582	56,295,586	5,332,060
Total monetary assets	126,303	31,844,288	76,698,343	7,064,713
Monetary liabilities				
Trade payable	(17,251)	(12,392,181)	(11,830,202)	(1,827,167)
Short-term debt	(1,682,868)	-	-	(1,748,332)
Fees payable/Creditors	-	-	-	-
Tax payable	(64,668)	-	(189,386)	(76,527)
Short-term debt	(636,623)	-	-	(661,388)
Long-term debt	-	-	-	-
Total monetary liabilities	(2,401,410)	(12,392,181)	(12,019,588)	(4,313,414)
Net exposure	(2,275,107)	(19,452,107)	(64,678,755)	(2,751,299)
		31 December 2023		
	Total Euro	Total MAD	Total MXN	Total USD
Monetary assets				
Cash at bank and in hand	41,777	3,087,086	2,194,625	453,390
Tax reclaims receivable	7,504	-	13,331,896	696,581
Prepaid fees	10,276	21,659	2,143,948	123,766
Trade receivable	112,524	27,963,737	4,849,442	3,047,031
Total monetary assets	172,081	31,072,482	22,519,911	4,320,768

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Monetary liabilities				
Trade payable	(101,224)	(1,601,818)	(18,853,788)	(1,235,060)
Fees payable/Creditors	(2,871)	(80,927)	(207,328)	(21,516)
Tax payable	(3,474)	(4,913,179)	-	(473,969)
Long-term loan	(178,768)	-	-	(190,674)
Short-term debt	(3,373,295)	-	-	(3,597,956)
Total monetary liabilities	<u>(3,659,632)</u>	<u>(6,595,924)</u>	<u>(19,061,116)</u>	<u>(5,519,175)</u>
Net exposure	<u>(3,487,551)</u>	<u>24,476,558</u>	<u>(3,458,795)</u>	<u>(1,198,407)</u>

The following table illustrated the sensitivity of profit and equity in relating to the group's financial assets and financial liabilities and the exchange rate indicated. It assumes a 10% change of the US exchange rate and a 5% change in the other rates. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the Euro had strengthened against the USD by 10% (2023: 10%) and the others by 5% (2023: 5%) respectively then this would have had the following impact:

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Total Euro	Total MAD	Total MXN	Total USD
31 December 2024	(227,511)	(972,605)	(3,233,938)	(19,385)
31 December 2023	<u>(348,755)</u>	<u>1,223,828</u>	<u>(172,940)</u>	<u>(245,911)</u>

The group holds assets denominated in currencies other than US Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The group may enter into currency exchange transactions in an attempt to protect against changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. The group may also enter into forward foreign exchange contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the base currency of the group. To do this, the group would enter into a forward foreign exchange contract to sell the currency in which the investment is denominated or principally traded in exchange for the base currency of the group.

The USD FX rates used at the year-end are:
Euro - 1.0389 (2023: 1.1050)
Moroccan dirham - 10.11 (2023: 9.89)
Mexican peso - 20.27 (2023: 16.89)

(iii) Interest rate risk

The group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. As at 31 December 2024, the company does not hold any financial instruments that are subject to variable interest rates. At 31 December 2024, the group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The following table illustrates the sensitivity of loss and equity to a reasonably possible change in interest rates of +/-1%. These changes are considered to be reasonably possible based on observation of current market conditions. These calculations are based on a change in the average market rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the financial year		Equity	
	+1%	-1%	-1%	-1%
31 December 2024	-	-	-	-
31 December 2023	-	-	-	-

HYDROCARBURATES TRADE SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

32. Capital management

The company's capital management objective is to ensure the company's ability to continue as a going concern. The company monitors capital on the basis of the carrying amount of equity less cash as presented on the face of the Statement of Financial Position. Management assesses the group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage.

The amounts managed as capital by the group for the reporting period under review are summarised as follows:

	31 December 2024	31 December 2023
	USD	USD
Total Equity	4,809,623	3,701,317
Cash and cash equivalents	(732,903)	(497,460)
Capital	<u>4,076,720</u>	<u>3,203,857</u>
	31 December 2024	31 December 2023
	USD	USD
Total Equity	4,809,623	3,701,317
Borrowings	4,743,947	3,910,277
Overall financing	<u>9,553,570</u>	<u>7,611,594</u>
Capital-to-overall financing ratio	<u>0,50</u>	<u>0,51</u>

33. Ultimate controlling party

Hydrocarburates Trade Services Limited is 60% owned by director Mr Ralf Bomke and the remaining 40% is owned by Valtese PR S.L - a company controlled by director Mr Pedro Picas. The members have appointed a Board of Directors to oversee and manage the day-to-day activities of the company and group.

34. Post balance sheet events

Apart from the below, the directors confirm that there have been no significant events affecting the group since the end of the financial year, which would require adjustment to or disclosure in the financial statements.

In 2025, the company incorporated Hytraserv de Mexico SA de CV, a company registered in Santa Fe, Álvaro Obregón C.P. 01376, Ciudad de México.

35. Approval of financial statements

The Board of Directors approved these consolidated financial statements for issue on .