

# **Annual report**

for

## **IOC Sweden AB**

556801-3626

Financial year

2020-04-01 – 2021-03-31

This financial report is a translation from the official Swedish annual report.

The Board of Directors of IOC Sweden AB hereby submits the annual report for the financial year 2020-04-01 – 2021-03-31.

## Directors' report

### Activities

IOC Sweden AB was incorporated February 26, 2010.

The principal activities of the Company are to conduct owning of shares in other companies, perform administrative tasks and associate activities.

The Company is a wholly-owned subsidiary to Indian Oil Corporation Limited, India.

The Company holds 50% of all shares in Indoil Netherlands B.V. with registered address in Amsterdam. Indoil Netherlands is run as joint operation in partnership with Oil India Sweden AB. Indoil Netherlands B.V. holds 7% of the shares in Petrocarabobo S.A., Venezuela and 24,2% of the shares in Carabobo Ingenieria y Contrucciones S.A., Venezuela.

Both the last-mentioned companies are active in Project Carabobo, developing oil reserves in Venezuela.

The Company also holds 100% of the shares in IOC Cyprus Ltd with registered address in Nicosia, Cyprus. IOC Cyprus Ltd has been placed into liquidation as of December 2020.

In January 2020 IOC Sweden purchased 82,770 shares at the price of US\$ 148 per share amounting to 12,25 Mln USD through issuance of new and existing ordinary shares commensurate to ~8,46% stake in Phinergy Ltd.(Phinergy), Israel.

On 17th November 2020, Phinergy Ltd. Split each 1(one) issued and outstanding share of the company into 50 ordinary shares. Phinergy Ltd. commenced trading on the Tel Aviv Stock Exchange and as of balance sheet date its shares has been revalued accordingly to current market value.

### Important events during the financial year

The company has during the financial year made investments in IndOil Netherlands B.V. to an amount 50k EUR. Amounts have been used for covering current expenses.

The activity of the group is fully financed by capital injections from the parent company Indian Oil Corporation Limited. During the year the Company received contributions in amount of 130 kEUR, which has been converted into share capital. As of balance sheet date capital increase was not yet registered with Bolagsverket.

#### *Impact of COVID 19 on the operations of Venezuela*

Venezuela has been in lockdown since 16.03.2020. Although, the field operations are in process with the production being reported daily but the offices in Venezuela are closed which has impacted Group monitoring of the project.

There is no immediate impact on the production from the project but as the global demand has significantly decreased worldwide long with the lowering of crude oil prices, it may impact the project in future. Indoil have arranged for a valuation report for PCB and the same has been assessed by the Auditors of Indoil Netherlands BV.

During the financial year, Indoil had discussed the matter with its auditors and made the necessary write-downs in the accounts of Indoil Netherlands B.V. The valuation report for PBC is based on the valuation made by an independent valuer and, according to the current auditors' satisfaction, the necessary impairment adjustments have been taken into accounts.

Company had made write-down in both standalone and consolidated statements, as presented in the Annual Report.

The COVID-19 Coronavirus outbreak in early 2020 has brought about additional uncertainties in the Company's operating environment and may impact the Company's operations in its financial position subsequent to the financial year end. The Company has been closely monitoring the impact of the developments on the Company's business and will develop contingency measures as the situation evolves. As the situation is fast evolving, the effect of outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

*Political development impact on the operations in Venezuela*

The production and development activities in the project have been affected due to the deteriorating socio-political situation of the country along with the US Sanctions on PDVSA and Venezuela. The project may revive once the socio-political situation of the country improves as there is no subsurface risk in the project.

**Multi-year overview (KEUR)**

<i>Group</i>	2020-04-01	2019-04-01	2018-04-01	2017-04-01	2016-04-01
	2021-03-31	2020-03-31	2019-03-31	2018-03-31	2017-03-31
Net turnover	0	80	130	169	361
Result after fin. items	-9 776	42	-135	-104	-80
Total assets	55 620	65 164	52 801	48 024	55 104
Equity/assets ratio (%)	97.40%	97.60%	97.10%	97.50%	97.90%
<hr/>					
<i>Parent company</i>	2020-04-01	2019-04-01	2018-04-01	2017-04-01	2016-04-01
	2021-03-31	2020-03-31	2019-03-31	2018-03-31	2017-03-31
Net turnover	0	0	0	0	0
Result after fin. items	-7 204	114	-93	-26	-22
Total assets	54 437	58 150	46 883	46 828	46 730
Equity/assets ratio (%)	100.00%	100.00%	99.80%	100.00%	100.00%

**Proposed allocation of result**

*Parent company*

Amount in Euro

It is proposed by the board of directors that the company's non-restricted equity will be allocated as follows:

Losses carried forward	-438 969
Net result for the year	-7 203 888
	<hr/>
	-7 642 857
Proposed allocation of disposable result:	
Losses carried forward	-7 642 857
<b>Total</b>	<hr/>
	<b>-7 642 857</b>

## Consolidated statement of comprehensive income

Amount in Euro	Note	2020-04-01 2021-03-31	2019-04-01 2020-03-31
<b>Operating income</b>			
Secondment income	3, 12	0	80 441
<b>Total operating income</b>		<b>0</b>	<b>80 441</b>
<b>Operating expenses</b>			
Other external expenses	3, 4, 5, 12	-149 353	-219 034
<b>Total operating expenses</b>		<b>-149 353</b>	<b>-219 034</b>
<b>Operating profit/loss</b>		<b>-149 353</b>	<b>-138 593</b>
<b>Financial items</b>			
	6		
Financial income		0	182 060
Financial expenses		-9 626 429	-1 776
<b>Net financial items</b>		<b>-9 626 429</b>	<b>180 284</b>
<b>Net profit/loss for the year</b>		<b>-9 775 782</b>	<b>41 691</b>
<b>Earnings per share (Euro)</b>		<b>-1.87</b>	<b>0.01</b>
<b>Other comprehensive income/expenses</b>			
Translation differences on foreign operations for the year	7	-3 165 637	1 065 863
Write up of investment in participations		3 353 735	0
<b>Total comprehensive income/expenses</b>		<b>188 098</b>	<b>1 065 863</b>
<b>Total comprehensive profit/loss for the year</b>		<b>-9 587 684</b>	<b>1 107 554</b>

## Consolidated statement of financial position

<i>Amount in Euro</i>	<i>Note</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
<b>ASSETS</b>			
<b>Fixed assets</b>	8		
<b>Financial fixed assets</b>			
Other securities held as fixed assets		54 145 997	63 580 618
<b>Total fixed assets</b>		<b>54 145 997</b>	<b>63 580 618</b>
<b>Current assets</b>			
Receivables from group companies	12	1 412 832	1 506 170
Prepaid expenses and accrued income	9	158	13 878
Cash and cash equivalents		61 038	63 330
<b>Total current assets</b>		<b>1 474 028</b>	<b>1 583 378</b>
<b>TOTAL ASSETS</b>		<b>55 620 025</b>	<b>65 163 996</b>

## Consolidated statement of financial position

<i>Amount in Euro</i>	<i>Note</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	58 571 937	47 482 251
Share capital under registration		130 002	11 089 690
Shareholders' contributions		0	0
Translation difference		2 901 941	6 067 578
Unrestricted reserves		-1 019 992	-1 061 683
Fair value reserve		3 353 735	0
Net/profit for the year		-9 775 782	41 691
<b>Total equity</b>		<b>54 161 841</b>	<b>63 619 527</b>
<b>Current liabilities</b>			
Accounts payable		1 011 019	1 075 511
Liabilities to group companies	12	410 267	437 371
Accrued expenses and prepaid income	11	36 898	31 587
		<b>1 458 184</b>	<b>1 544 469</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55 620 025</b>	<b>65 163 996</b>



## Consolidated statement of changes in equity

<i>Amount in Euro</i>	Share capital	Issued share capital under registration	Shareholders contribution	Translation difference	Fair value reserve	Accumulated profit or loss	Result for the year	Total equity
Opening balance 2019-04-01	47 071 151	0	280 000	5 001 715	0	-926 237	-135 446	51 291 183
Shareholder's contributions			-280 000					-280 000
Appropriation of result						-135 446	135 446	0
Total comprehensive result for the year				1 065 863			41 691	1 107 554
New shares issue	411 100	11 089 690						11 500 790
<b>Closing balance 2020-03-31</b>	<b>47 482 251</b>	<b>11 089 690</b>	<b>0</b>	<b>6 067 578</b>	<b>0</b>	<b>-1 061 683</b>	<b>41 691</b>	<b>63 619 527</b>
Opening balance 2020-04-01	47 482 251	11 089 690	0	6 067 578	0	-1 061 683	41 691	63 619 527
Shareholder's contributions								0
Reclassification								0
Appropriation of result						41 691	-41 691	0
Total comprehensive result for the year				-3 165 637	3 353 735		-9 775 782	-9 587 684
New shares issue	11 089 686	-10 959 689						129 997
<b>Closing balance 2021-03-31</b>	<b>58 571 937</b>	<b>130 002</b>	<b>0</b>	<b>2 901 941</b>	<b>3 353 735</b>	<b>-1 019 992</b>	<b>-9 775 782</b>	<b>54 161 841</b>

## Consolidated cash flow statement

<i>Amount in Euro</i>	<i>2020-04-01 2021-03-31</i>	<i>2019-04-01 2020-03-31</i>
<b>Operating activities</b>		
Net profit/loss	-9 775 782	41 691
Adjustment for items not affecting cash flow	8 870 627	0
<b>Cash flow from operating activities before Changes in operating capital</b>	<b>-905 155</b>	<b>41 691</b>
<i>Cash flow from changes in operating capital</i>		
Increase (-) / Decrease (+) of operating receivables	107 058	-110 851
Increase (+) / Decrease (-) of operating liabilities	-86 285	34 703
<b>Cash flow from operating activities</b>	<b>-884 382</b>	<b>-34 457</b>
<b>Investment activities</b>		
Acquisition of intangible asset under development	0	22 252
Acquisition of other securities held as fixed assets	0	-11 181 051
<b>Cash flow from investment activities</b>	<b>0</b>	<b>-11 158 799</b>
<b>Financing activities</b>		
New share issue	129 998	11 500 790
Shareholder contribution	0	-280 000
<b>Cash flow from financing activities</b>	<b>129 998</b>	<b>11 220 790</b>
<b>Cash flow for the year</b>	<b>-754 384</b>	<b>27 534</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>63 330</b>	<b>41 434</b>
<b>Translation differences on foreign operations for the year</b>	<b>752 092</b>	<b>-5 639</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>61 038</b>	<b>63 330</b>



## Parent company's income statement

<i>Amount in Euro</i>	<i>Note</i>	<i>2020-04-01 2021-03-31</i>	<i>2019-04-01 2020-03-31</i>
<b>Operating income</b>			
Net sales		0	0
<b>Total operating income</b>		<b>0</b>	<b>0</b>
<b>Operating expenses</b>			
Other external expenses	3, 4, 5	-209 510	-61 771
<b>Total operating expenses</b>		<b>-209 510</b>	<b>-61 771</b>
<b>Operating profit/loss</b>		<b>-209 510</b>	<b>-61 771</b>
<b>Financial items</b>			
Interest income and similar items	6	0	176 663
Interest expenses and similar items		-6 994 378	-1 228
<b>Net financial items</b>		<b>-6 994 378</b>	<b>175 435</b>
<b>Net profit/loss for the year</b>		<b>-7 203 888</b>	<b>113 664</b>
<b>Other comprehensive income/expenses</b>			
Write up of investment in participations		3 353 735	0
<b>Total comprehensive income/expenses</b>		<b>3 353 735</b>	<b>0</b>
<b>Total comprehensive profit/loss for the year</b>		<b>-3 850 153</b>	<b>113 664</b>

## Parent company's balance sheet

<i>Amounts in Euro</i>	<i>Note</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
<b>ASSETS</b>			
<b>Fixed assets</b>	8		
<b>Intangible fixed assets</b>			
Intangible asset under development		0	0
<b>Financial fixed assets</b>			
Participation in subsidiaries		1 000	1 000
Participation in joint operation		40 348 488	46 606 709
Other financial assets		13 801 462	11 181 051
<b>Total fixed assets</b>		<b>54 150 950</b>	<b>57 788 760</b>
<b>Current assets</b>			
Receivables from related parties	12	250 000	313 616
Cash and cash equivalents		36 025	47 764
<b>Total current assets</b>		<b>286 025</b>	<b>361 380</b>
<b>TOTAL ASSETS</b>		<b>54 436 975</b>	<b>58 150 141</b>

## Parent company's balance sheet

Amounts in Euro	Note	2021-03-31	2020-03-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	10		
<i>Restricted equity</i>			
Share capital		58 571 937	47 482 251
Share capital under registration		130 002	11 089 690
Shareholders' contributions		0	0
<i>Non-restricted equity</i>			
Profit/loss carried forward		-438 969	-552 633
Translation difference		0	0
Fair value reserve		3 353 735	0
Net/profit for the year		-7 203 888	113 664
<b>Total equity</b>		<b>54 412 816</b>	<b>58 132 972</b>
<b>Current liabilities</b>			
Accounts payable		0	4 442
Accrued expenses and prepaid income	11	24 158	12 727
Payables to related parties	12	0	0
		<b>24 158</b>	<b>17 169</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>54 436 974</b>	<b>58 150 141</b>

## Parent company's changes in equity

Amount in Euro	Share capital	Issued share capital under registration	Shareholders contribution	Translation difference	Fair value reserve	Accumulated profit or loss	Result for the year	Total equity
Opening balance 2019-04-01	47 071 151	0	280 000	0	0	-459 978	-92 655	46 798 518
Shareholder's contributions			-280 000					-280 000
Appropriation of result						-92 655	92 655	0
Result for the year							113 664	113 664
New shares issue	411 100	11 089 690						11 500 790
<b>Closing balance 2020-03-31</b>	<b>47 482 251</b>	<b>11 089 690</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-552 633</b>	<b>113 664</b>	<b>58 132 972</b>
Opening balance 2020-04-01	47 482 251	11 089 690	0	0	0	-552 633	113 664	58 132 972
Shareholder's contributions								0
Reclassification								0
Appropriation of result						113 664	-113 664	0
Total comprehensive result for the year					3 353 735			3 353 735
Result for the year							-7 203 888	-7 203 888
New shares issue	11 089 686	-10 959 689						129 997
<b>Closing balance 2021-03-31</b>	<b>58 571 937</b>	<b>130 002</b>	<b>0</b>	<b>0</b>	<b>3 353 735</b>	<b>-438 969</b>	<b>-7 203 888</b>	<b>54 412 816</b>

## Parent company's cash flow statement

<i>Amount in Euro</i>	<i>2020-04-01 2021-03-31</i>	<i>2019-04-01 2020-03-31</i>
<b>Operating activities</b>		
Operating profit/loss	-7 203 888	113 664
Adjustment for items not affecting cash flow	6 258 221	0
<b>Cash flow from operating activities before Changes in operating capital</b>	<b>-945 667</b>	<b>113 664</b>
<i>Cash flow from changes in operating capital</i>		
Increase (-) / Decrease (+) of operating receivables	63 616	-71 667
Increase (+) / Decrease (-) of operating liabilities	6 989	-67 728
<b>Cash flow from operating activities</b>	<b>-875 062</b>	<b>-25 731</b>
<b>Investment activities</b>		
Acquisition of intangible asset under development	0	22 252
Acquisition of other securities held as fixed assets	0	-11 181 051
<b>Cash flow from investment activities</b>	<b>0</b>	<b>-11 158 800</b>
<b>Financing activities</b>		
New share issue	129 998	11 500 790
Share premium reserve	0	-280 000
<b>Cash flow from financing activities</b>	<b>129 998</b>	<b>11 220 790</b>
<b>Cash flow for the year</b>	<b>-745 064</b>	<b>36 260</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>47 764</b>	<b>11 505</b>
<b>Exchange differences on foreign operations for the year</b>	<b>733 325</b>	<b>-1</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>36 025</b>	<b>47 764</b>

## Notes and accounting principles

*Amount in Euro unless other stated*

### Note 1 Significant accounting principle

#### General

IOC Sweden AB, corporate identity number 556801-3626 is a Swedish private limited company registered in Stockholm, Sweden. The Company's address is c/o TMF Sweden AB, Sergels Torg 12, 13tr, SE-11157, Stockholm.

The principal activities of the company, which was incorporated on the 26 February 2010, are to conduct owning of shares in other companies, perform administrative tasks and associate activities.

The consolidated accounts for the financial year 2020-04-01 – 2021-03-31 comprise of the Parent company, the whollyowned subsidiary IOC Cyprus Limited and the participation in Indoil Netherlands B.V., a joint operation owned and run in partnership with Oil India Sweden AB.

#### Summary of key accounting principles

The key accounting principles applied during the preparation of this annual report are presented below.

The accounting currency of the Parent company is Euro and the financial statements are presented in Euro.

Fixed assets and long-term liabilities essentially consist of amounts that are expected to be recovered or paid more than 12 months after the closing day. Current assets and current liabilities essentially consist solely of amounts that are expected to be recovered or paid within 12 months of the closing day.

#### Basis for preparing the reports

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Boards (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Commission of the European Communities for application in the European Union. RFR 2; Supplementary accounting rules for groups, issued by the Swedish Financial Reporting Board has also been used.

The Parent company has prepared its annual report in accordance with the Swedish Financial Reporting Board's standard RFR 2.3, the same accounting standards as used for the group, apart from when it is stated "accounting standards for the Parent company". The difference between the accounting principles for the group and the parent company are due to the fact that there are restrictions regarding the use of IFRS in the parent company regulated in the Swedish Annual Accounts Act or in some cases due to tax reasons.

#### Valuation principles applied in the preparation of the financial statements

Assets and liabilities are reported at historical cost, with the exception of certain financial assets and liabilities, which are measured at the fair value or amortized cost.

Financial assets and liabilities measured at fair value consist of financial assets classified as financial assets measured at fair value through profit/loss for the year or financial assets held for sale.



## **Translation of foreign currency**

### Transactions and balance sheet items

Transactions in foreign currencies are translated into functional currency at the exchange rate in force on the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate in force on the balance sheet date. Exchange rate differences arising from the conversions are recognized in profit/loss for the year. Non-monetary assets and liabilities recognized at the value are converted into the functional currency at the rate in effect at the time of the fair value assessment.

### Group companies

The results and financial position of all group companies that have an operational currency other than the presentation currency, are translated into the group's presentation currency as follows:

Assets and liabilities for each of the consolidated statements of financial position are translated according to the closing day rate.

Income and expenses for each of the income statements are translated according to the average exchange rate.

All translation differences are reported in other comprehensive income.

## **Assessments and estimates in the financial accounts**

Preparation of the financial statements in accordance with IFRS requires management to make assessments, estimations and assumptions that affect the application of the accounting principles and the figures reported for assets, liabilities, income and expenses. The actual outcome may deviate from these estimations that may cause material adjustments to the financial statements of the ensuing year are mainly the valuation of the financial fixed assets.

## **Consolidated financial statements**

### Subsidiaries

Subsidiaries are companies in which IOC Sweden AB has a controlling influence. Controlling influence entails a direct or indirect right to determine a company's financial and operational policies.

Under normal circumstances this means that IOC Sweden AB has more than 50 percent of the voting rights.

The assessment of whether a controlling influence exists, takes into account potential voting shares that can be exercised or converted without delay.

Subsidiaries are recognized in accordance with the acquisition method. The cost of an acquisition consists of the fair value of assets given and liabilities incurred or assumed at the date of acquisition. Transaction fees directly attributable to the acquisition are reported directly in the income statement at the rate at which they arise.

Subsidiaries' financial accounts are included in the consolidated accounts from the time of acquisition and until the Group no longer has a controlling influence.

### Joint operations

For accounting purposes, joint operations whereby the parties that have joint control of the operation have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations are consolidated in the consolidated accounts in accordance with the proportional method.

The proportional method entails that the proportional part belonging to the group, of the assets for which the group has joint control and the liabilities for which the group has a joint responsibility, are included in the consolidated statement of financial position. The consolidated statement of comprehensive income includes the proportional part belonging to the Group of the income and expenses of the Joint Operations.

Intra-group receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-group transactions between group companies are eliminated in full when preparing the consolidated accounts.

## **Operating segments**

The operating segments are organized in a compatible way with the internal financial reporting to the senior management. The senior management is the function who is responsible for allocation of resources and monitoring the financial outcome of the operating segments.

In this group, the board of directors in the parent company has the function as the senior management, making the strategic decisions.

## **Income**

Income encompasses the fair value of what has been received or is expected to be received for sold goods and services in the group's operating activities. Income is reported excluding VAT, returns and discounts and after elimination of intra-group sales.

The group reports income when the amount can be measured in a reliable manner, when it is likely that future economic benefits will accrue to the company.

## **Other operating income**

Costs arising from subordinated activities within the principal operation are presented as the other operating income.

## **Other operating costs**

Costs arising from subordinated activities within the principal operation concerning operational receivables and operational liabilities are presented as other operational costs.

## **Taxes**

The period's tax expense is made up of actual tax expense for the year and changes in the provision for deferred tax liabilities and changes in the presented value of the deferred tax receivables.

The actual tax liability is based on the taxable income for the year. The taxable income diverges from net profit/loss for the year as presented in the income statement, as the taxable income can contain either nontaxable income or non-tax-deductible expenses, that are not deductible in the actual financial year, or taxable or deductible in other years than the actual financial year.

The actual tax liability has been calculated using the tax rates decided upon the balance sheet date.

Deferred tax is the tax as the company expects to pay or receive based on the differences between the presented values of assets and liabilities in the balance sheet and the equivalent taxable values.

Deferred tax assets (receivables) for taxable losses carried forward will only be presented if it is likely to use them in future and only to the expected decreased future tax expenses.

### **Financial assets**

The group classifies its financial assets according to the following categories: financial assets measured at fair value in profit/loss, loan receivables and accounts receivables.

The classification is based on the reason for the purchase of the financial assets.

Financial assets recognized as assets in the consolidated statement of financial position include cash and cash equivalents, accounts receivables, financial investments and derivatives.

Financial assets which are not derivatives are initially recognized at a cost corresponding to the assets fair value including direct expenses. Exceptions are those financial assets recognized at fair value via profits/loss, which are recognized at fair value excluding transaction expenses.

Loan receivables and accounts receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loan receivables are measured at the amortized cost, based on the effective interest calculated at the time of acquisition. Accounts receivables are recognized at the amount estimated to be paid after deduction for bad debts. Provision for bad debts is recognized in the operating expenses.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and instantly accessible balances at banks and equivalent institutions, as well as current investments with a term from the acquisition date of less than three months which are exposed to only a negligible risk of fluctuation.

### **Financial liabilities**

Financial liabilities are classified as financial liabilities measured at fair value in profit/loss or as financial liabilities measured at the amortized cost.

Accounts payables are obligations to pay for goods or services purchased in the operation from suppliers. Accounts payables are classified as current liabilities when they are due for payment within one year from the balance sheet date. Otherwise they are classified as long-term liabilities.

### **Earnings per share**

The calculation of earnings per share is based on group profit for the year attributable to the Parent company's shareholders and the weighted average number of shares outstanding during the year.

### **Contingent liabilities**

A contingent liability is recognized when there is a possible obligation arising from past events and the existence of which is substantiated only by one or more uncertain future events, or when there is an obligation which is not recognized as a liability or provision because it is not likely that an outflow of resources will be required.

### **Parent company's accounting principles**

The differences between the accounting principles of the Group and the Parent company are due to the restrictions in the Swedish Annual Accounts Act for the use of IFRS in the Parent company and the tax regulations that make it possible to use in other accounting principles in a legal entity than the group accounts.

#### Participation in joint operation

Participation in joint operation is recognized in the Parent company in accordance with the cost method. Write-down of the booked value has been made at the balance sheet date to the equity value corresponding to the part belonging to the company in the joint operation.

#### Participation in associated companies

Participation in associated companies is recognized in the Parent company in accordance with the cost method. The Parent company's part of Net profit and loss in the associated company is recognized in the Profit and Loss statement to a value equal to the percentage holding of the shares in the associated company and in the balance sheet as a current receivable or liability from related party.

#### Equity Investments at FVTOCI (Other than Subsidiaries, JVs and Associates)

All Equity investments are measured at Fair value. The company has made an irrevocable election to present subsequent changes in the fair value in Other comprehensive income. The classification is made on Initial recognition/ transition and is irrevocable. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on Sale of Investments.

#### Restricted and non-restricted equity

In the Parent company's balance sheet, the equity is divided into restricted and non-restricted equity in accordance with the Swedish Annual Accounts Act.

#### Note 2 Personnel

The group has not had any employees during the financial year.  
Neither salaries nor remunerations have been paid.

The board of directors	2020-04-01		2019-04-01	
	2021-03-31	whereof women	2020-03-31	whereof women
Group				
Directors	9	2	9	3
Parent company				
Directors	4	0	4	1

### Note 3 Reporting per segment

The operating segments are organized in a compatible way with the internal financial reporting to the senior management prepared by the Parent company (IOC Sweden AB) and the joint operation (Indoil Netherlands) including reports from the joint arrangement involved in Project Carabobo in Venezuela.

The segment Other consist of IOC Cyprus and intra-group eliminations.

2019-04-01 – 2020-03-31	IOC Sweden	Indoil Netherlands	Other	Total
Secondment income	0	80 441	0	80 441
Operating profit/loss	-61 771	-60 588	-16 235	-138 593
Profit/loss before tax	113 664	-57 125	-14 847	41 691
Net profit for the year	113 664	-57 125	-14 847	41 691
Assets	58 150 141	53 925 388	-46 911 533	65 163 995
Whereof intra-group assets	-46 921 325	0	46 921 326	0
Assets excluding intra-group assets	11 228 816	53 925 388	9 792	65 163 996
Liabilities	17 169	1 525 242	2 058	1 544 469
Whereof intra-group liabilities	0	0	0	0
Liabilities excluding intra-group liabilities	17 169	1 525 242	2 058	1 544 469
2020-04-01 – 2021-03-31	IOC Sweden	Indoil Netherlands	Other	Total
Secondment income	0	0	0	0
Operating profit/loss	-209 510	-45 947	100 642	-154 814
Profit/loss before tax	-7 203 888	-8 930 736	6 358 842	-9 775 782
Net profit for the year	-7 203 888	-8 930 736	6 358 842	-9 775 782
Assets	54 436 975	41 782 538	-40 599 488	55 620 025
Whereof intra-group assets	-40 599 488	0	40 599 488	0
Assets excluding intra-group assets	13 837 486	41 782 538	0	55 620 024
Liabilities	24 158	1 434 026	0	1 458 184
Whereof intra-group liabilities	0	0	0	0
Liabilities excluding intra-group liabilities	24 158	1 434 026	0	1 458 184

### Note 4 Other external expenses

	Group	Group	Parent company	Parent company
	2020-04-01 2021-03-31	2019-04-01 2020-03-31	2020-04-01 2021-03-31	2019-04-01 2020-03-31
Administrative expenses	124 413	239 206	197 681	103 689
Audit fees	11 789	19 511	6 982	6 970
Other expenses	13 151	-39 683	4 847	-48 889
	149 353	219 034	209 510	61 771



**Note 5 Remuneration to auditors**

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2020-04-01</i>	<i>2019-04-01</i>	<i>2020-04-01</i>	<i>2019-04-01</i>
	<i>2021-03-31</i>	<i>2020-03-31</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
Audit assignment, Ernst & Young	6 982	6 970	6 982	6 970
Audit assignment, IAC Audit & Assurance	4 761	0	0	0
Audit assignment, KPMG	0	4 175	0	0
Audit assignment, Londen & Van Holland	0	6 920	0	0
Audit assignment, Commodum	46	1 445	0	0
	<u>11 789</u>	<u>19 511</u>	<u>6 982</u>	<u>6 970</u>

**Note 6 Financial items**

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2020-04-01</i>	<i>2019-04-01</i>	<i>2020-04-01</i>	<i>2019-04-01</i>
	<i>2021-03-31</i>	<i>2020-03-31</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
<i>Financial income</i>				
Exchange rate gains on financial assets and liabilities	0	182 060	0	176 663
	<u>0</u>	<u>182 060</u>	<u>0</u>	<u>176 663</u>
<i>Financial expenses</i>				
Exchange rate losses on financial assets and liabilities	753 921	0	734 763	0
Other financial expenses	8 872 508	1 776	6 259 615	1 228
	<u>9 626 429</u>	<u>1 776</u>	<u>6 994 378</u>	<u>1 228</u>

**Note 7 Translation differences on foreign operations for the year**

In the joint operation entity, all assets and liabilities expressed in currencies other than US-dollars have been translated at the rates of exchange prevailing at the balance sheet date, except for the investments in participations which are stated at historical rates. All transactions in foreign currencies have been translated into US dollars at the rates of exchange approximating those ruling at the date of the transactions. Resulting exchange differences have been recognized in the Profit and loss account except for the exchange differences arising from translation of share capital denominated in EUR, which are booked in the currency translation reserve. The following exchange rate has been applied as at 31 March 2021: USD 1 = EUR 0.85288 (31 March 2020: EUR 0.90922).

Translation of the above into the consolidated statements for IOC Sweden AB resulted in significant amount of currency translation reserve.

**Note 8 Fixed assets**

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2021-03-31</i>	<i>2020-03-31</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
<b>Intangible asset under development</b>				
Opening balance	0	22 252	0	22 252
Investment	0	0	0	0
Exchange rate adjustment	0	0	0	0
Relinquish of investment	0	-22 252	0	-22 252
Closing balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net value at the end of the period</b>	<b>0</b>	<b>22 252</b>	<b>0</b>	<b>22 252</b>



## Note 8 Fixed assets - continued

Indian Consortium (IC) comprising IndianOil, ONGC Videsh Ltd. (OVL), Bharat PetroResources Ltd. (BPRL) and Oil India Ltd. (OIL) has been awarded Exploration Block 32, Israel by the Government of Israel under 1st Offshore Israel Bid Round 2016. Each Consortium Partner holds 25% Participating Interest (PI) in this Deep-water Exploration Block. 25% stake in the block-32 was to be transferred to IOC Sweden AB by its parent company IndianOil Corporation Limited. As internally decided by the Board of Parent entity (i.e. Indian Oil Corporation Limited), as of 31st March 2020 Block 32 investment in Israel has been relinquished. Henceforth, there is no assignment of this investment from IOCL to Sweden Entity.

Group	2021-03-31	2020-03-31
<b>Other securities held as fixed assets</b>		
Opening balance	63 580 618	51 328 065
Investment	0	11 181 051
Impairment during the year	-5 516 892	0
Exchange rate adjustment	-3 917 729	1 071 502
Closing balance	54 145 997	63 580 618
<b>Net value at the end of the period</b>	<b>54 145 997</b>	<b>63 580 618</b>

The joint operation Indoil Netherlands B.V. holds 7% of the voting rights as well as the number of shares in Petrocarabobo S.A. Venezuela and 24.2% of the voting rights as well as the number of shares in Carabobo Ingenieria y Construcciones S.A., Venezuela.

Indoil Netherlands maintains a non-interest bearing intercompany position with its investment Carabobo Ingenieria y Construcciones S.A. It is the intention that this intercompany position will be converted into capital. No conversion date has been agreed. During the year under review no additional amount has been contributed by the Company.

Due to the political and economic situation in Venezuela it is uncertain if and when the situation in Venezuela will improve in a way that the outcome of the investments in Petrocarabobo S.A. will be met and accordingly as per the valuation report, the value of Investment in Petrocarabobo S.A., is USD 94,607,933 (for IOC Sweden AB: 47,303,966.50 USD), hence impairment has been done for USD 20,654,369 (for IOC Sweden AB: 10,327,184.50 USD).

In January 2020 IOC Sweden purchased 82,770 shares at the price of US\$ 148 per share amounting to 12.25 Mln USD through issuance of new and existing ordinary shares commensurate to ~8.46% stake in Phinergy Ltd. (Phinergy), Israel.

On 17th November 2020, Phinergy Ltd. Split each 1(one) issued and outstanding share of the company into 50 ordinary shares. Phinergy Ltd. commenced trading on the Tel Aviv Stock Exchange and as of balance sheet date its shares has been revalued accordingly to current market value.

Parent company	2021-03-31	2020-03-31
<b>Participation in subsidiaries</b>		
Opening balance	1 000	1 000
Investment	0	0
Closing balance	1 000	1 000
<b>Net value at the end of the period</b>	<b>1 000</b>	<b>1 000</b>

IOC Cyprus Limited ("The Company") is a wholly owned subsidiary of IOC Sweden AB. The company had remained Dormant since its inception. Company was formed for the purpose of supporting Project Carabobo. The Carabobo Project-1 has been delayed by more than 7 years due to the deteriorating socio-political and economic condition in Venezuela. Furthermore, IOC Cyprus Limited had remained dormant since its inception. Also, due to delay at the asset level, the future project funding is not expected. Hence, it is decided by the Board of the ultimate Parent entity for liquidation of the company. The company has filed for informal strike off with the registrar on 14 December 2020 with the management accounts and tax certificates. At the balance sheet date Company awaits finalization of the liquidation.

**Note 8 Fixed assets - continued**

**Specification of the Parent company's participation in subsidiaries**

<i>Subsidiaries</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2020-03-31 Profit/loss for the year</i>	<i>2020-03-31 Total equity</i>	<i>2020-03-31 Booked value</i>
IOC Cyprus Limited, Cyprus Registered address: Nicosia	HE278431	100%	-14 847	-106 509	1 000
	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2021-03-31 Profit/loss for the year</i>	<i>2021-03-31 Total equity</i>	<i>2021-03-31 Booked value</i>
IOC Cyprus Limited, Cyprus Registered address: Nicosia	HE278431	100%	100 621	0	1 000

<i>Parent company</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
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**Participation in joint operation**

Opening balance	46 606 709	46 606 709
Investment	0	0
Impairment during the year	-6 258 221	0
Closing balance	40 348 488	46 606 709
<b>Net value at the end of the period</b>	<b>40 348 488</b>	<b>46 606 709</b>

**Specification of the Parent company's participation in joint operation**

<i>Joint operations</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2020-03-31 Profit/loss for the year</i>	<i>2020-03-31 Total equity</i>	<i>2020-03-31 Booked value</i>
Indoil Netherlands B.V., Netherlands Registered address: Amsterdam Whereof belongs to IOC Sweden's part	34313115	50%	-114 251	104 800 292	
			-57 125	52 400 146	46 606 709
	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2021-03-31 Profit/loss for the year</i>	<i>2021-03-31 Total equity</i>	<i>2021-03-31 Booked value</i>
Indoil Netherlands B.V., Netherlands Registered address: Amsterdam Whereof belongs to IOC Sweden's part	34313115	50%	-17 861 472	80 697 024	
			-8 930 736	40 348 512	40 348 488

**Participations in other companies**

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2021-03-31</i>	<i>2020-03-31</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
<b>Other financial assets</b>				
Opening balance	11 181 051	0	11 181 051	0
Investment	0	11 181 051	0	11 181 051
Write up to market value	3 353 735	0	3 353 735	0
Exchange rate adjustment	-733 324	0	-733 324	0
Closing balance	13 801 461	11 181 051	13 801 462	11 181 051
<b>Net value at the end of the period</b>	<b>13 801 461</b>	<b>11 181 051</b>	<b>13 801 462</b>	<b>11 181 051</b>

In January 2020 IOC Sweden purchased 82,770 shares at the price of US\$ 148 per share amounting to 12.25 Mln USD through issuance of new and existing ordinary shares commensurate to ~8,46% stake in Phinergy Ltd.(Phinergy), Israel.

On 17th November 2020, Phinergy Ltd. Split each 1(one) issued and outstanding share of the company into 50 ordinary shares. Phinergy Ltd. commenced trading on the Tel Aviv Stock Exchange and as of balance sheet date its shares has been revalued accordingly to current market value.

**Note 9 Prepaid expenses and accrued income**

<i>Group</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
Deposit	100	0
Other prepaid expenses	58	13 878
	<u>158</u>	<u>13 878</u>

**Note 10 Equity**

<i>Date</i>	<i>Number of shares</i>	<i>Share capital</i>
2010-02-26 Incorporation	1 000	SEK 100 000
2010-07-02 New share issue	1 350 100	SEK 135 010 000
2010-08-20 New share issue (registered 2011-04-14)	25 125	SEK 2 512 500
2011-04-01 Recalculation of share capital to Euro due to change of accounting currency SEK 137 622 500 equal to EUR 15 406 251		Euro 15 406 251
2012-03-27 New share issue (registered 2012-04-10)	1 355 832	Euro 15 177 861
2013-03-28 New share issue (registered 2013-04-24)	614 931	Euro 6 883 845
2014-03-28 New share issue (registered 2014-04-22)	342 549	Euro 3 834 675
2015-03-20 New share issue (registered 2015-03-30)	436 887	Euro 4 890 745
2016-03-31 New share issue (registered 2016-04-21)	78 411	Euro 877 774
2019-10-22 New share issue (registered 2019-11-05)	36 723	Euro 411 100
2020-03-25 New share issue (registered 2020-04-17)	990 637	Euro 11 089 690
2021-02-08 New share issue (under registration in Bolagsverket)	11 613	Euro 130 002
<i>Total March 31, 2021</i>	<u>5 243 808</u>	<u>Euro 58 701 944</u>
<i>Average number of shares financial year 2020-04-01 – 2021-03-31</i>	<i>5 233 845</i>	
<i>Average number of shares financial year 2019-04-01 – 2020-03-31</i>	<i>4 240 036</i>	
<i>Average number of shares financial year 2018-04-01 – 2019-03-31</i>	<i>4 204 835</i>	
<i>Average number of shares financial year 2017-04-01 – 2018-03-31</i>	<i>4 204 835</i>	
<i>Average number of shares financial year 2016-04-01 – 2017-03-31</i>	<i>4 204 835</i>	
<i>Average number of shares financial year 2015-01-01 – 2016-03-31</i>	<i>4 126 638</i>	
<i>Average number of shares financial year 2014-04-01 – 2015-03-31</i>	<i>3 703 900</i>	
<i>Average number of shares financial year 2013-04-01 – 2014-03-31</i>	<i>3 349 803</i>	
<i>Average number of shares financial year 2012-04-01 – 2013-03-31</i>	<i>2 737 111</i>	
<i>Average number of shares financial year 2011-04-01 – 2012-03-31</i>	<i>1 391 083</i>	

**Note 11 Accrued expenses and prepaid income**

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2021-03-31</i>	<i>2020-03-31</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
Accrued audit fees	14 586	19 287	7 325	6 780
Accrued accounting fees	14 315	6 107	14 315	3 616
Other accrued expenses	7 997	6 194	2 518	2 330
	<u>36 898</u>	<u>31 587</u>	<u>24 158</u>	<u>12 727</u>

**Note 12 Transactions with related parties**

IOC Sweden AB is a wholly-owned subsidiary to Indian Oil Corporation Limited.  
IOC Cyprus Ltd is a wholly-owned subsidiary to IOC Sweden AB.  
The company is related with its parent company, its subsidiary and the joint operation Indoil Netherlands B.V.  
No purchases or sales have been made within the group.

Indoil Netherlands B.V. entered into a Secondment Agreement with effective date 21 January 2011. It was agreed to second certain personal from the Company or its affiliates to Carabobo Ingenieria y Construcciones, S.A.. For this purpose, Indoil Netherlands B.V. raised invoices for manpower cost to Carabobo Ingenieria y Construcciones, S.A. for the period 1 April 2019 till 31 March 2020 in amount of USD 178 788. During the year 1 April 2020 to 31 March 2021, this Secondment agreement has been discontinued.

In respect to general and administrative expenses, the Indoil Netherlands B.V. entered into Secondment Agreement with effective date 21 January 2011. It was agreed to second certain personnel from ultimate shareholders of Indoil Netherlands B.V. to Indoil Netherlands B.V. For this purpose, Indoil Netherlands B.V. received invoices for manpower cost for the period 1 April 2019 till 31 March 2020 in amount of USD 178 340. During the year 1 April 2020 to 31 March 2021, this Secondment agreement has been discontinued.

Transactions with related parties.

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2021-03-31</i>	<i>2020-03-31</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
Secondment income	0	80 441	0	0
Secondment and general expenses	0	80 239	0	0
General and administrative expenses Project Israel	0	-53 465	0	-53 465
Translation differences on foreign operations	-3 165 637	1 065 863	0	0

<i>Group</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
Receivable Carabobo Ingenieria y Construcciones, S.A.	1 412 832	1 506 170
Liabilities to Indian Oil Corporation Limited	-410 267	-437 371

<i>Parent company</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
Receivables from IOC Cyprus Ltd	0	113 616
Receivables from Indoil Netherlands	250 000	200 000
	<u>250 000</u>	<u>313 616</u>

Liabilities to Indian Oil Corporation Limited	0	0
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**Note 13 Consolidated pledged assets and contingent liabilities**

<i>Amount in Euro</i>	<i>2021-03-31</i>	<i>2020-03-31</i>
<b>Pledged assets</b>	None	None
<b>Contingent liabilities</b>	48 507 463	51 712 056

To be able to participate in Petrocarabobo S.A. the Indoil Netherlands B.V. entered into a Signature Bonus agreement for a total amount of USD 183,750,000 to be paid to the Republic of Venezuela, (USD 91 875 000 for IOC Sweden AB). Total amount of USD 70,000,000 has been paid as at 31 March 2021. The payment of the remainder amount is based on the achievement of the following milestones:

- USD 3,500,000 shall be paid within 15 calendar days following the earlier of the following events: (i) the date on which Petrocarabobo S.A. notifies its shareholders that it has completed its first delivery of hydrocarbons, (ii) the starting date of Phase 3 of the Project.
- USD 36,750,000 shall be paid within 15 calendar days following the starting date of Phase 3 of the Project.
- USD 36,750,000 shall be paid within 15 calendar days following the first anniversary of the starting date of Phase 3 of the Project; and
- USD 36,750,000 shall be paid within 15 calendar days following the second anniversary of the starting date of Phase 3 of the Project.

Due to the political and economic situation in Venezuela it is uncertain if and when the situation in Venezuela will improve in a way that the outcome of the investments in Petrocarabobo S.A. will be met. To safeguard the company, the ultimate parent company, Indian Oil Corporation and Oil India Limited, guarantees the investments in Petrocarabobo S.A. under the signature bonus agreement. As it is uncertain when and if above mentioned milestones will be met, the Company report these amounts as contingent liabilities (in the consolidated statements).



#### **Note 14      Financial risk**

The Group's main exposure to financial risk consists of currency risk, liquidity and financing risk and interests.

##### *Currency risk*

The consolidated statement of comprehensive income is effected by exchange rate exposure when the joint operation's income statement is translated into EUR. The consolidated equity is also affected by exchange rate exposure when the net assets in the joint operation are translated into EUR.

IOC Sweden AB has, with start from the beginning of financial year 2011/2012, changed its accounting currency to Euro, to decrease the risk of exchange rate fluctuations affecting the profit/loss for the year.

##### *Liquidity and financing risk*

Liquidity and financing risk refers to the fact that IOC Sweden AB cannot meet its payment obligations due to insufficient liquidity or difficulties in raising new loans.

The activities of the group are fully financed by capital injections from the parent company Indian Oil Corporation Limited.

The principal activity of the group is to, through the joint operation Indoil Netherlands B.V., invest in joint arrangement with activities in Project Carabobo, Venezuela. The project will require additional financing, which will be fully covered by the parent company.

##### *Interest risk*

The group's revenues and operating cash flow are in all essentially not affected by interest rate adjustments due to the condition of the market.

#### **Note 15      Significant events after the financial year**

##### *Impact of COVID 19 on the operations of Venezuela*

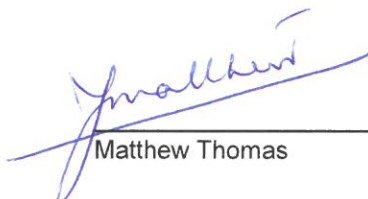
The recent outbreak of the pandemic Coronavirus, has negatively affected economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion. Since, the company is fully equity funded, it is reliant on support from its Parent company to continue as a going concern. The ultimate severity of the Coronavirus outbreak is uncertain at the time and therefore the Company cannot reasonably estimate the impact it may have on the investments' end markets and its operations. In order to safeguard the health of workers due to pandemic Coronavirus across the world, all activities have been suspended in Venezuela.



Stockholm, on .....



Om Parkash  
*Chairman of the board*



Matthew Thomas

Christofer Bjelvénius

Pavel Teplykh

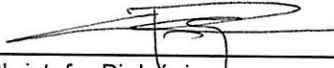
Our audit report was issued on .....  
Ernst & Young AB

Stefan Andersson Berglund  
*Authorized public accountant*




Stockholm, on .....

Om Parkash  
*Chairman of the board*

  
Christofer Bjelvenius

Matthew Thomas

  
Pavel Teplykh

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