

IOC Sweden AB

Org.nr. 556801-3626

Annual report 2021 04 01 - 2022 03 31

Annual report

for

IOC Sweden AB

556801-3626

Financial year

2021 04 01 - 2022 03 31

IOC Sweden AB

Org.nr. 556801-3626

Annual report 2021 04 01 - 2022 03 31

The Board of Directors of IOC Sweden AB hereby submit the annual report for the financial year 2021-04-01 -- 2022-03-31.

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 runned as a joint venture in partnership with Oil India Sweden. Indoil Netherlands B.V holds 7% of the shares in Petrocarabobo S.A, Venezuela and 24,2% of the shares in Carabobo Ingenieria y Construcciones S.A, Venezuela. Both de lastmentioned companies are active in Project Carabobo, developing oil reserves in Venezuela.

IOC Cyprus Limited ("The Company") was a wholly owned subsidiary of IOC Sweden AB.

IOC Cyprus Ltd has been placed into liquidation as of December 2020.

The Company has been struck off the Register under The Companies Law June 30, 2021

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 ~8,48% stake in Phinergy Ltd.(Phinergy), Israel. In FY 2020-21, Phinergy Ltd. Split each 1(one) issued and outstanding share of the company into 50 ordinary shares and later commenced trading on the Tel Aviv Stock Exchange. As of balance sheet date its shares has been revalued accordingly to current market value.

Events of importance during the financial year

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.

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 Project Carabobo will be met. The previously estimate of when the project may resume has been re-evaluated and a new valuation report of the value of Indoil's investments in Project Carabobo has been prepared as of March 31, 2022. According to the new valuation report, the value of the investment in Petrocarabobo S.A has been assessed to USD 10 500 000 and the value of the investments in and the receivables from Carabobo Ingenieria y Construcciones S.A has been assessed to USD 0.

Due to the write-down of investments in Venezuela of March 31,2022, IOC Sweden AB has also made write-down of its investment in Indoil Netherlands B.V with an amount of around Meuro 37. That leads to total equity in IOC Sweden below the statutory requirement for Swedish Companies.

In such situation, in accordance with The Swedish Companies Act, company should prepare a control balance sheet. The Board intends to present the balance sheet in this annual report to the shareholders in response to the obligation to prepare a control balance sheet.

The Board's plan is to replenish the Equity to healthy level via decrease of the registered share capital.

The company has during the financial year made investments in Indoil Netherlands B.V. to an amount 74.29 kEUR. 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 137.73 kEUR, which has been converted into share capital.

IOC Sweden AB

Org.nr. 556801-3626

Annual report 2021 04 01 - 2022 03 31

Multi-year overview (Keuro)

| <i>Group</i> | 2021 04 01 | 2020 04 01 | 2019 04 01 | 2018 04 01 | 2017 04 01 |
|------------------------------|------------|------------|------------|------------|------------|
| | 2022 03 31 | 2021 03 31 | 2020 03 31 | 2019 03 31 | 2018 03 31 |
| Net sales | 8 | - | 80 | 130 | 169 |
| Result after financial items | -37 694 | -9 776 | 42 | 135 | 104 |
| Balance sheet total | 13 184 | 55 620 | 65 164 | 52 801 | 48 024 |
| Equity ratio | 88,5% | 97,4% | 97,6% | 97,1% | 97,5% |
| | | | | | |
| <i>Parent company</i> | 2021 04 01 | 2020 04 01 | 2019 04 01 | 2018 04 01 | 2017 04 01 |
| | 2022 03 31 | 2021 03 31 | 2020 03 31 | 2019 03 31 | 2018 03 31 |
| Net sales | 8 | - | 0 | 0 | 0 |
| Result after financial items | -37 136 | -7 204 | 114 | -93 | -26 |
| Balance sheet total | 12 004 | 54 437 | 58 150 | 46 883 | 46 828 |
| Equity ratio | 99,9% | 100,0% | 100,0% | 99,8% | 100,0% |

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 | -9 714 120 |
| Net profit for the year | -37 135 640 |
| | -46 849 760 |
| Proposed allocation of disposable result | |
| Losses carried forward | -46 849 760 |
| Total | -46 849 760 |

Consolidated statement of comprehensive income

| <i>Amount in Euro</i> | <i>Note</i> | <i>2021 04 01</i> | <i>2020 04 01</i> |
|--|-------------|--------------------|-------------------|
| | | <i>2022 03 31</i> | <i>2021 03 31</i> |
| Net sales | 3 | 7 803 | - |
| Total operating income | | 7 803 | - |
| <i>Operating expenses</i> | | | |
| Other external expenses | 4,5 | -82 627 | -149 353 |
| Personnel expenses | 2 | - | - |
| Operating profit/loss | 3 | -74 824 | -149 353 |
| <i>Financial items</i> | | | |
| Financial income | 6 | 15 460 | - |
| Financial expenses | 6 | -37 634 764 | -9 626 429 |
| Net financial items | | -37 619 304 | -9 626 429 |
| Net profit/loss for the year | 3 | -37 694 128 | -9 775 782 |
| Earnings per share (Euro) | | -7,18 | -1,87 |
| Other comprehensive income/expenses | | | |
| Translation differences on foreign operations for the year | 7 | 485 176 | -3 165 637 |
| Write up/down of investments in participations | | -5 424 998 | 3 353 735 |
| Total comprehensive income/expenses | | -4 939 822 | 188 098 |
| Total comprehensive profit/loss for the year | | -42 633 950 | -9 587 684 |

Consolidated statement of financial position

| <i>Amount in Euro</i> | <i>Note</i> | <i>2022 03 31</i> | <i>2021 03 31</i> |
|---------------------------------------|-------------|-------------------|-------------------|
| ASSETS | 3 | | |
| Fixed assets | | | |
| Financial fixed assets | | | |
| Other securities held as fixed assets | 8 | 13 105 768 | 54 145 997 |
| Total fixed assets | | 13 105 768 | 54 145 997 |
| Current assets | | | |
| Receivables from group companies | | - | 1 412 832 |
| Other receivables | | 100 | 100 |
| Prepaid expenses and accrued income | | - | 58 |
| Cash and cash equivalents | | 77 988 | 61 038 |
| Total current assets | | 78 088 | 1 474 028 |
| TOTAL ASSETS | | 13 183 856 | 55 620 025 |

Consolidated statement of financial position

| <i>Amount in Euro</i> | <i>Note</i> | <i>2022 03 31</i> | <i>2021 03 31</i> |
|---|-------------|-------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 12 | 58 839 666 | 58 571 937 |
| Issued share capital under registration | | - | 130 002 |
| Translation difference | | 3 387 118 | 2 901 941 |
| Fair value reserve | | -2 071 263 | 3 353 735 |
| Retained earnings | | -10 795 774 | -1 019 992 |
| Net profit/loss for the year | | -37 694 128 | -9 775 782 |
| Total equity | | 11 665 619 | 54 161 841 |
| Current liabilities | | | |
| Accounts payable | 15 | 6 610 | 11 893 |
| Liabilities to group companies | 14 | 433 333 | 410 267 |
| Other payables | 15 | 1 055 288 | 999 126 |
| Accrued expenses and prepaid income | 13 | 23 005 | 36 898 |
| | | 1 518 236 | 1 458 184 |
| TOTAL EQUITY AND LIABILITIES | | 13 183 856 | 55 620 025 |

Consolidated statement of changes in equity

| | Share- capital | Issued Sharecapital under registration | Translation difference | Fair value reserve | Retained earnings and profit for the year | Total equity |
|---|-------------------|---|---------------------------|-----------------------|--|-------------------|
| Opening balance 2020-04-01 | 47 482 251 | 11 089 690 | 6 067 578 | – | -1 019 992 | 63 619 527 |
| New share issues | 11 089 686 | -10 959 688 | – | – | – | 129 998 |
| Total comprehensive profit for the year | – | – | -3 165 637 | 3 353 735 | -9 775 782 | -9 587 684 |
| Closing balance 2021-03-31 | 58 571 937 | 130 002 | 2 901 941 | 3 353 735 | -10 795 774 | 54 161 841 |
| Opening balance 2021-04-01 | 58 571 937 | 130 002 | 2 901 941 | 3 353 735 | -10 795 774 | 54 161 841 |
| New share issue registered | 130 002 | -130 002 | – | – | – | – |
| New share issue | 137 727 | – | – | – | – | 137 727 |
| Total comprehensive profit for the year | – | – | 485 176 | -5 424 998 | -37 694 128 | -42 633 950 |
| Closing balance 2022-03-31 | 58 839 666 | – | 3 387 118 | -2 071 263 | -48 489 902 | 11 665 619 |

Consolidated cash flow statement

| | 2021 04 01 2022 03 31 | 2020 04 01 2021 03 31 |
|--|--------------------------|--------------------------|
| <i>Amount in Euro</i> | | |
| Operating activities | | |
| Operating profit/loss | -37 694 128 | -9 775 782 |
| Adjustment for items not affecting cash flow | 37 631 900 | 8 870 627 |
| Cash flow from operating activities before changes in operating capital | -62 228 | -905 155 |
| <i>Cash flow from changes in operating capital</i> | | |
| Increase(-)/Decrease(+) of operating receivables | 58 | 107 058 |
| Increase(+)/Decrease(-) of operating liabilities | 60 052 | -86 285 |
| Cash flow from operating activities | -2 117 | -884 382 |
| Investment activities | | |
| Acquisition of other securities held as fixed assets | -24 989 | – |
| Cash flow from investment activities | -24 989 | – |
| Financing activities | | |
| New share issue | 137 727 | 129 998 |
| Cash flow from financing activities | 137 727 | 129 998 |
| Cash flow for the year | 110 621 | -754 384 |
| Cash and cash equivalents at the beginning of the year | 61 038 | 63 330 |
| Translation differences on foreign operations for the year | -93 672 | 752 092 |
| Cash and cash equivalents at the end of the year | 77 987 | 61 038 |

Parent company's income statement

| <i>Amounts in Euro</i> | <i>Note</i> | <i>2021 04 01</i> | <i>2020 04 01</i> |
|---|-------------|--------------------|-------------------|
| | | <i>2022 03 31</i> | <i>2021 03 31</i> |
| Net sales | 3 | 7 803 | — |
| Total operating income | | 7 803 | — |
| <i>Operating expenses</i> | | | |
| Other external expenses | 4,5 | -42 781 | -209 510 |
| Personnel expenses | 2 | — | — |
| Operating profit/loss | | -34 978 | -209 510 |
| <i>Financial items</i> | | | |
| Interest income and similar items | 6 | 195 | — |
| Interest expenses and similar items | 6 | -37 100 857 | -6 994 378 |
| Net financial items | | -37 100 662 | -6 994 378 |
| Net profit/loss for the year | | -37 135 640 | -7 203 888 |
| Other comprehensive income/expenses | | | |
| Write up/down of investments in participations | 11 | -5 424 998 | 3 353 735 |
| Total comprehensive income/expenses | | -5 424 998 | 3 353 735 |
| Total comprehensive profit/loss for the year | | -42 560 638 | -3 850 153 |

Parent company's balance sheet

| <i>Amounts in Euro</i> | <i>Note</i> | <i>2022 03 31</i> | <i>2021 03 31</i> |
|----------------------------------|-------------|-------------------|-------------------|
| ASSETS | 3 | | |
| Fixed assets | | | |
| <i>Financial fixed assets</i> | | | |
| Participation in subsidiaries | 9 | - | 1 000 |
| Participation in joint venture | 10 | 3 249 832 | 40 348 488 |
| Other financial assets | 11 | 8 376 464 | 13 801 462 |
| Total financial fixed assets | | 11 626 296 | 54 150 950 |
| Total fixed assets | | 11 626 296 | 54 150 950 |
| Current assets | | | |
| <i>Current receivables</i> | | | |
| Receivables from related parties | 14 | 324 287 | 250 000 |
| Cash and cash equivalents | | 53 572 | 36 025 |
| Total current assets | | 377 859 | 286 025 |
| TOTAL ASSETS | | 12 004 155 | 54 436 975 |

Parent company's balance sheet

| <i>Amounts in Euro</i> | <i>Note</i> | <i>2022 03 31</i> | <i>2021 03 31</i> |
|---|-------------|--------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | 12 | | |
| <i>Restricted equity</i> | | | |
| Share capital | | 58 839 666 | 58 571 937 |
| Issued share capital under registration | | - | 130 002 |
| | | <u>58 839 666</u> | <u>58 701 939</u> |
| <i>Non-restricted equity</i> | | | |
| Profit/Loss carried forward | | -7 642 857 | -438 969 |
| Fair value reserve | | -2 071 263 | 3 353 735 |
| Net profit/loss for the year | | <u>-37 135 640</u> | <u>-7 203 888</u> |
| | | <u>-46 849 760</u> | <u>-4 289 122</u> |
| Total equity | | 11 989 906 | 54 412 817 |
| Current liabilities | 3 | | |
| Accounts payable | 15 | 943 | - |
| Liabilities to group companies | 14 | 4 | - |
| Accrued expenses and prepaid income | 13 | 13 302 | 24 158 |
| | | <u>14 249</u> | <u>24 158</u> |
| TOTAL EQUITY AND LIABILITIES | | 12 004 155 | 54 436 975 |

Parent company's changes in equity

| | Share- capital | Issued Sharecapital under registration | Fair value reserve | Retained earnings and profit for the year | Total equity |
|---|-------------------|---|-----------------------|--|-------------------|
| Opening balance 2020-04-01 | 47 482 251 | 11 089 690 | - | -438 969 | 58 132 972 |
| New share issues | 11 089 686 | -10 959 688 | - | - | 129 998 |
| Total comprehensive profit for the year | - | - | 3 353 735 | -7 203 888 | -3 850 153 |
| Closing balance 2021-03-31 | 58 571 937 | 130 002 | 3 353 735 | -7 642 857 | 54 412 817 |
| Opening balance 2021-04-01 | 58 571 937 | 130 002 | 3 353 735 | -7 642 857 | 54 412 817 |
| New share issue registered | 130 002 | -130 002 | - | - | - |
| New share issue | 137 727 | - | - | - | 137 727 |
| Net profit/loss for the year | - | - | -5 424 998 | -37 135 640 | -42 560 638 |
| Closing balance 2022-03-31 | 58 839 666 | - | -2 071 263 | -44 778 497 | 11 989 906 |

Parent company's cash flow statement

| <i>Amounts in Euro</i> | 2021 04 01 2022 03 31 | 2020 04 01 2021 03 31 |
|--|--------------------------|--------------------------|
| Operating activities | | |
| Operating profit/loss | -37 135 640 | -7 203 888 |
| Adjustment for items not affecting cash flow | | |
| - Write-down of participation in joint venture | 37 099 656 | 6 258 221 |
| Cash flow from operating activities before changes in operating capital | -35 984 | -945 667 |
| <i>Cash flow from changes in operating capital</i> | | |
| Increase(-)/Decrease(+) of operating receivables | -74 287 | 63 616 |
| Increase(+)/Decrease(-) of operating liabilities | -9 909 | 6 989 |
| Cash flow from operating activities | -120 180 | -875 062 |
| Investment activities | | |
| Acquisition of other securities held as fixed assets | - | - |
| Cash flow from investment activities | - | - |
| Financing activities | | |
| New share issue | 137 727 | 129 998 |
| Cash flow from financing activities | 137 727 | 129 998 |
| Cash flow for the year | 17 547 | -745 064 |
| Cash and cash equivalents at the beginning of the year | 36 025 | 47 764 |
| Exchange differences on foreign operations for the year | - | 733 325 |
| Cash and cash equivalents at the end of the year | 53 572 | 36 025 |

Notes and accounting principles

Amount in Euro unless other stated

NOTE 1 Significant accounting principles

General

IOC Sweden AB, corporate identity number 556801-3626 is a Swedish private limited liability company registered in Stockholm, Sweden. The company's address is Kungsgatan 37, 8th floor, 111 56 Stockholm.

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

The consolidated accounts for the financial year 2021-04-01 - 2022-03-31 comprise of the Parent company and the participation in Indoil Netherlands B.V, a joint venture owned and runned 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 principals 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 the 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 fair value are converted into the functional currency at the rate in effect at the time of the fair value assesment.

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 and assessments. The estimations and assessments are reviewed regularly.

Items consist of assessments which are complex or may have a significant effect on the financial statements and 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 recognised 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 as 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 ventures

For accounting purposes, joint ventures are those companies for which the group, via partnership agreements with one or more parties, has joint control over operational and financial management. The group's participating may exceed 50 percent. Joint ventures 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 venture.

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

Income arising from subordinated activities within the principal operation are presented as 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 not contains either income or expenses non taxable or non deductible the actual financial year or taxable or deductible 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 receivables for taxable losses carried forward will only be presented if it is likely they can be made used of and only to the extent of 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 transaction expenses. Exceptions are those financial assets recognized at fair value via profit/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 fluctuations.

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 other accounting principles in a legal entity than the group accounts.

Participation in joint venture

Participation in joint venture 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 venture.

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 | 2021 04 01 | whereof | 2020 04 01 | whereof |
|--|------------|---------|------------|---------|
| | 2022 03 31 | women | 2021 03 31 | women |
| <i>Number of persons in the board</i> | | | | |
| <i>The group</i> | | | | |
| Directors | 8 | 1 | 9 | 2 |
| <i>Parent company</i> | | | | |
| Directors | 4 | 0 | 4 | 0 |

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 venture (Indoil Netherlands) including reports from the joint ventures involved in Project Carabobo in Venezuela.

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

| <i>2021-04-01 -- 2022-03-31</i> | <i>IOC Sweden</i> | <i>Indoil Netherlands</i> | <i>Other</i> | <i>Total</i> |
|---|-------------------|-------------------------------|--------------|--------------|
| Net sales | – | – | – | – |
| Operating profit/loss | -34 978 | -39 846 | – | -74 824 |
| Profit/loss before tax | -37 135 640 | -37 657 144 | 37 098 656 | -37 694 128 |
| Net profit/loss for the year | -37 135 640 | -37 657 144 | 37 098 656 | -37 694 128 |
| Assets | 12 004 155 | 4 753 819 | -3 574 119 | 13 183 855 |
| whereof intra-group assets | -3 574 119 | – | 3 574 119 | – |
| Assets excluding intra-group assets | 8 430 036 | 4 753 819 | – | 13 183 855 |
| Liabilities | 14 249 | 1 503 988 | – | 1 518 237 |
| whereof intra-group liabilities | – | – | – | – |
| Liabilities excluding intra-group liabilities | 14 249 | 1 503 988 | – | 1 518 237 |

| <i>2020-04-01 -- 2021-03-31</i> | <i>IOC Sweden</i> | <i>Indoil Netherlands</i> | <i>Other</i> | <i>Total</i> |
|---|-------------------|-------------------------------|--------------|--------------|
| Net sales | – | – | – | – |
| Operating profit/loss | -209 510 | -45 947 | 106 104 | -149 353 |
| Profit/loss before tax | -7 203 888 | -8 930 735 | 6 358 842 | -9 775 781 |
| Net profit/loss for the year | -7 203 888 | -8 930 735 | 6 358 842 | -9 775 781 |
| Assets | 54 436 975 | 41 782 538 | -40 599 488 | 55 620 025 |
| whereof intra-group assets | -40 599 488 | – | 40 599 488 | – |
| Assets excluding intra-group assets | 13 837 487 | 41 782 538 | – | 55 620 025 |
| Liabilities | 24 158 | 1 434 026 | – | 1 458 184 |
| whereof intra-group liabilities | – | – | – | – |
| Liabilities excluding intra-group liabilities | 24 158 | 1 434 026 | – | 1 458 184 |

Note 4 Other external expenses

| | <i>Group 2021 04 01 2022 03 31</i> | <i>Group 2020 04 01 2021 03 31</i> | <i>Parent company 2021 04 01 2022 03 31</i> | <i>Parent company 2020 04 01 2021 03 31</i> |
|-------------------------|--|--|---|---|
| Administrative expenses | 54 123 | 124 413 | 30 998 | 197 681 |
| Audit fees | 27 985 | 11 789 | 11 422 | 6 982 |
| Other expenses | 519 | 13 151 | 361 | 4 847 |
| | 82 627 | 149 353 | 42 781 | 209 510 |

Note 5 Renumeration to auditors

| | <i>Group</i> | <i>Group</i> | <i>Parent</i> | <i>Parent</i> |
|---|-------------------|-------------------|-------------------|-------------------|
| | <i>2021 04 01</i> | <i>2020 04 01</i> | <i>company</i> | <i>company</i> |
| | <i>2022 03 31</i> | <i>2021 03 31</i> | <i>2022 03 31</i> | <i>2021 03 31</i> |
| Audit assignment, Ernst & Young | 11 422 | 6 982 | 11 422 | 6 982 |
| Audit assignment, IAC Audit & Assurance | 16 563 | 4 761 | – | – |
| Audit assignment, Commodum | – | 46 | – | – |
| | <u>27 985</u> | <u>11 789</u> | <u>11 422</u> | <u>6 982</u> |

Note 6 Financial items

| | <i>Group</i> | <i>Group</i> | <i>Parent</i> | <i>Parent</i> |
|--|-------------------|-------------------|-------------------|-------------------|
| | <i>2021 04 01</i> | <i>2020 04 01</i> | <i>company</i> | <i>company</i> |
| | <i>2022 03 31</i> | <i>2021 03 31</i> | <i>2022 03 31</i> | <i>2021 03 31</i> |
| <i>Financial income</i> | | | | |
| Exchange rate gains on financial assets and liabilities | 15 460 | - | 195 | - |
| | <u>15 460</u> | <u>0</u> | <u>195</u> | <u>0</u> |
| <i>Financial expense</i> | | | | |
| Exchange rate losses on financial assets and liabilities | - | 753 921 | - | 734 763 |
| Impairment losses on financial assets | 37 631 900 | 8 870 628 | 37 098 656 | 6 258 221 |
| Loss disposal of shares in IOC Cyprus | 1 000 | - | 1 000 | - |
| Other financial expenses | 1 864 | 1 880 | 1 201 | 1 394 |
| | <u>37 634 764</u> | <u>9 626 429</u> | <u>37 100 857</u> | <u>6 994 378</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 2022 USD 1 = EUR 0.90082 (31 March 2021: EUR 0.85288).

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

Note 8 Other securities held as fixed assets

| | 2022 03 31 | 2021 03 31 |
|---|-------------------|-------------------|
| <i>Group</i> | | |
| Opening balance | 54 145 997 | 63 580 618 |
| Investment | 24 989 | - |
| Impairment during the year | -36 206 669 | -8 870 627 |
| Write up/down of investment | -5 424 998 | 3 353 735 |
| Exchange rate adjustment | 566 449 | -3 917 729 |
| Closing balance | 13 105 768 | 54 145 997 |
| Net value at the end of the period | 13 105 768 | 54 145 997 |

The joint venture 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.

To be able to participate in Petrocarabobo S.A, Indoil Netherlands B.V entered into a Signature Bonus Agreement with the Republic of Venezuela. Due to the fact that the signature bonus is inextricably linked to the participation in Petrocarabobo S.A, the signature bonus has been treated as part of the purchase price of the shareholding in Petrocarabobo S.A. (31 March 2022 USD 70 000 000 - 31 March 2021 USD 70 000 000).

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 Project Carabobo will be met. The previously estimate of when the project may resume has been re-evaluated and a new valuation report of the value of Indoil's investments in Project Carabobo has been prepared as of March 31, 2022. According to the new valuation report, the value of the investment in Petrocarabobo S.A has been assessed to USD 10 500 000, equal to Euro 9 458 600 at the balance day ratio.

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.

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 Project Carabobo will be met. The previously estimate of when the project may resume has been re-evaluated and a new valuation report of the value of Indoil's investments in Project Carabobo has been prepared as of March 31, 2022. According to the new valuation report, the value of the investment in and receivable from Carabobo Ingenieria y Construcciones S.A, has been assessed to USD 0.

Due to the write-down of investments in Venezuela as of March 31,2022, IOC Sweden AB has also made write-down of its investment in Indoil Netherlands B.V. with an amount of around MEuro 37.

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 ~8,48% 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 Participation in subsidiaries

| | 2022 03 31 | 2021 03 31 |
|---|------------|--------------|
| <i>Parent company</i> | | |
| Opening balance | 1 000 | 1 000 |
| Disposal | -1 000 | - |
| Closing balance | - | 1 000 |
| Net value at the end of the period | - | 1 000 |

IOC Cyprus Limited ("The Company") was a wholly owned subsidiary of IOC Sweden AB. The Company has been struck off the Register under The Companies Law June 30,2021.

Note 10 Participation in joint venture

| | 2022 03 31 | 2021 03 31 |
|---|------------------|-------------------|
| <i>Parent company</i> | | |
| Opening balance | 40 348 488 | 46 606 709 |
| Investment | - | - |
| Write-down | -37 098 656 | -6 258 221 |
| Closing balance | 3 249 832 | 40 348 488 |
| Net value at the end of the period | 3 249 832 | 40 348 488 |

Specification of the Parent company's participation in joint venture

| | Corporate identity no | Participation in % | 2022-03-31 Profit/loss for the year | 2022-03-31 Total equity | 2022-03-31 Net value |
|---|--------------------------|-----------------------|---|-------------------------------|-------------------------|
| <i>Joint ventures</i> | | | | | |
| Indoil Netherlands B.V., Netherlands Registered address: Amsterdam | 34 313 115 | 50% | -75 314 287 | 6 499 663 | |
| whereof belongs to IOC Swedens' part | | | -37 657 144 | 3 249 832 | 3 249 832 |
| Indoil Netherlands B.V., Netherlands Registered address: Amsterdam | 34 313 115 | 50% | -17 861 472 | 80 697 024 | |
| whereof belongs to IOC Swedens' part | | | -8 930 736 | 40 348 512 | 40 348 488 |

Note 11 Other financial assets

| | 2022 03 31 | 2021 03 31 |
|---|------------------|-------------------|
| <i>Parent company</i> | | |
| Opening balance | 13 801 462 | 11 181 051 |
| Investment | - | - |
| Write-up/ Write-down | -5 424 998 | 3 353 735 |
| Exchange rate adjustment | - | -733 324 |
| Net value at the end of the period | 8 376 464 | 13 801 462 |

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 ~8,48% 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 12 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 |
| | <i>Total March 31,2011</i> | <u>1 376 225</u> | SEK | <u>137 622 500</u> |
| 2011-04-01 | Recalculation of share capital to Euro due to change of accounting currence | | 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 | 11 089 687 |
| 2021-02-28 | New share issue (registered 2021-05-20) | 11 613 | Euro | 130 002 |
| 2021-12-01 | New share issue (registered 2022-01-10) | 12 303 | Euro | 137 726 |
| | <i>Total March 31,2022</i> | <i>5 256 111</i> | | <i>58 839 666</i> |
| <i>Average number of shares financial year 2021-04-01 – 2022-03-31</i> | | 5 246 505 | | |
| <i>Average number of shares financial year 2020-04-01 – 2021-03-31</i> | | 5 233 845 | | |
| <i>Average number of shares financial year 2019-04-01 – 2020-03-31</i> | | 4 240 036 | | |
| <i>Average number of shares financial year 2018-04-01 – 2019-03-31</i> | | 4 204 835 | | |
| <i>Average number of shares financial year 2017-04-01 – 2018-03-31</i> | | 4 204 835 | | |
| <i>Average number of shares financial year 2016-04-01 – 2017-03-31</i> | | 4 204 835 | | |
| <i>Average number of shares financial year 2015-04-01 – 2016-03-31</i> | | 4 126 638 | | |
| <i>Average number of shares financial year 2014-04-01 – 2015-03-31</i> | | 3 703 900 | | |
| <i>Average number of shares financial year 2013-04-01 – 2014-03-31</i> | | 3 349 803 | | |
| <i>Average number of shares financial year 2012-04-01 -- 2013-03-31</i> | | 2 737 111 | | |
| <i>Average number of shares financial year 2011-04-01 -- 2012-03-31</i> | | 1 391 083 | | |

Note 13 Accrued expenses and prepaid income

| | <i>Group</i> | <i>Group</i> | <i>Parent</i> | <i>Parent</i> |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | <i>2022 03 31</i> | <i>2021 03 31</i> | <i>company</i> | <i>company</i> |
| | | | <i>2022 03 31</i> | <i>2021 03 31</i> |
| Accrued audit fees | 16 934 | 14 586 | 9 674 | 7 325 |
| Accrued accounting fees | - | 14 315 | - | 14 315 |
| Other accrued expenses | 6 070 | 7 997 | 3 628 | 2 518 |
| | <u>23 005</u> | <u>36 898</u> | <u>13 302</u> | <u>24 158</u> |

Note 14 Transactions with related parties

IOC Sweden AB is a wholly-owned subsidiary to Indian Oil Corporation Limited.

The company is related with both its parent company and the joint venture Indoil Netherlands B.V.

Indoil Netherlands B.V. is related to Petrocarabobo S.A and Carabobo Ingenieria y Construcciones S.A.

No purchases or sales has been made within the group.

Transactions with related parties

| | 2022 03 31 | 2021 03 31 |
|---|------------|------------|
| <i>Group</i> | | |
| Receivable Carabobo Ingenieria y Construcciones, S.A* | 1 492 249 | 1 412 832 |
| Write-down of receivable | -1 492 249 | - |
| Net value receivable Carabobo Ingenieria y Construcciones, S.A* | - | 1 412 832 |
| Liabilities to Indian Oil Corporation Limited. | -433 333 | -410 267 |
| <i>Parent company</i> | | |
| Receivables from Indoil Netherlands | 324 287 | 250 000 |
| Liabilities to Indian Oil Corporation Limited. | -4 | - |

* Due to the political and economic in Venezuela it is uncertain if and when the situation in Venezuela will improve in a way that the from Carabobo Ingenieria y Construcciones S.A can be settled the value of the receivables has been written-down to USD 0.

Note 15 Ageing of payables

Group The ageing of total Payables outstanding as on the balance sheet date is as follow 2022-03-31

| Particulars | Un-billed | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|-----------|---------|--|-----------|-----------|-------------------|-----------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i) Related Party-Undisputed | | | | | | 433 329 | 433 329 |
| ii) Others undisputed | 23 005 | | 6 610 | | | 1 055 288 | 1 084 904 |

The ageing of total Payables outstanding as on the balance sheet date is as follow 2021-03-31

| Particulars | Un-billed | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|-----------|---------|--|-----------|-----------|-------------------|-----------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i) Related Party-Undisputed | | | | | | 410 267 | 410 267 |
| ii) Others undisputed | 36 898 | | 11 893 | | | 999 126 | 1 047 917 |

Note 16 Consolidated pledged assets and contingent liabilities

| | 2022 03 31 | 2021 03 31 |
|------------------------|------------|------------|
| Pledged assets | None | None |
| Contingent liabilities | 51 234 123 | 48 507 463 |

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 17 Financial risks

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

Currency risk

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

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 is fully financed by capital injections from the parent company Indian Oil Corporation Limited.

The principal activity of the group is to, through the joint venture Indoil Netherlands B.V., invest in joint ventures with activities in Project Carabobo, Venezuela. A project that will require additional financing. This financing will be financed fully 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 18 Significant events after the financial year

No events after the Balance sheet date has significant impact on the annual accounts for the financial year 2021-2022.

IOC Sweden AB

22 (22)

Corporate identity no 556801-3626

Stockholm 2022-04-29

Mr Ruchir Agrawal
Chairman of the board

Mr Manoj Kumar Sharma

Handwritten signature of Mr Richard Chindt in blue ink, consisting of the letters 'RC' followed by a stylized flourish.

Mr Richard Chindt

Handwritten signature of Mr Roland Göransson in blue ink, featuring a cursive script with a long horizontal stroke at the end.

Mr Roland Göransson

Our audit report was issued on
Ernst & Young AB

Stefan Andersson Berglund
Authorized public accountant

IOC Sweden AB

Corporate identity no 556801-3626

22 (22)

Stockholm

Mr Ruchir Agrawal

Mr Ruchir Agrawal
Chairman of the board

29 April 2022

Mr Manoj Kumar Sharma

Mr Manoj Kumar Sharma

29 April 2022

Mr Richard Chindt

Mr Roland Göransson

Our audit report was issued on
Ernst & Young AB

Stefan Andersson Berglund
Authorized public accountant

Auditor's report

To the general meeting of the shareholders of IOC Sweden AB, corporate identity number 556801-3626

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of IOC Sweden AB for the financial year 2021-04-01–2022-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 March 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 March 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Emphasis of matter regarding contingent liabilities

We would like to draw attention to note 16 in the annual report for the group which describes the movements linked to investment in Petrocarabobo S.A., Venezuela, as per 31 March 2022. The note shows that, in view of the current political and economic situation in Venezuela, there is considerable uncertainty as to and when the situation in the country will improve in such a way that the outcome of the investment in Petrocarabobo S.A. is expected to be met. In order to secure the investment for the company, the ultimate parent companies, Indian Oil Corporation Limited and Oil India Limited, have exhibited a guarantee regarding the investment in Petrocarabobo S.A. and the Signature bonus agreement. We have not modified our opinion because of this.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors is responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors of IOC Sweden AB for the financial year 2021-04-01–2022-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, may 3rd

Ernst & Young AB

Stefan Andersson Berglund
Authorized Public Accountant