ANNUAL REPORT
and
FINANCIAL STATEMENTS
of

Svenska Petroleum Exploration AB
Org.nr. 556093-2583

The board of Directors and the Managing Director's annual report and financial statements for the financial year 2022-01-01 - 2022-12-31

Content **Page**

- Board of Director's Report	2
- Consolidated Statement of Profit and loss and Other Comprehensive income	6
- Consolidated Statement of Financial position	7
- Consolidated Statement of Changes in equity	9
- Consolidated Statement of Cash Flows	10
- Notes forming part of the consolidated financial statements	11
- Income Statement Parent company	40
- Balance Sheet Parent company	41
- Cash flow Statement Parent company	43
- Notes forming part of the financial statements Parent company	44
- Signatures	52

Board of Director's Report for 2022

Svenska Petroleum Exploration AB (Svenska), org.nr 556093–2583

INTRODUCTION

Through participation in joint operation projects, Svenska is actively engaged in all aspects of the exploration and production of oil and gas as well as associated activities. Today, business operations are conducted in the Ivory Coast, Nigeria, the UK and Sweden. Produced oil is sold to refineries worldwide, mostly in Europe and North America. The Group is presently not involved in direct gas sales, however associated gas from the production in the Ivory Coast is exported to shore and compensated under the Production Sharing Contract (PSC) by additional entitlement of oil.

The company's registered office is Stockholm.

GROUP ORGANISATION

Svenska is an international upstream oil company with staff in Stockholm and London. Business is conducted through subsidiaries, directly or indirectly, and foreign branch offices. Svenska has discontinued its operations in Latvia and Ireland during the year.

Svenska is wholly owned by Petroswede AB, which is ultimately held by Moroncha Holdings Ltd, Cyprus, a company owned by Sheikh Mohammed H. Al-Amoudi.

EVENTS DURING THE FINANCIAL YEAR

Operationally it has been a very successful year with a sharp increase in average price/barrel and continued excellent uptime with steady production on the Floating Production Storage and Off-load vessel (FPSO) in the Ivory Coast. The J/V has continued the running investment program on the FPSO targeting life extension and a continued certification of the vessel. During the year, planning for additional production wells in the Baobab reservoir (Phase V) has been in focus. Svenska is continuing to work actively together with partners in the J/V to respond to the quickly increasing requirements on the environmental aspects of the operations, in particular with regards to emissions reporting and reduction targets.

In Nigeria, the Petroleum Industry Bill (PIB) is changing the economics for the production sharing contract (PSC) in licence OML 145. The operator Exxon is evaluating the impact of the new law and in the meantime there is limited activity in the licence.

Svenska has delivered on the decision by the Board to concentrate and simplify the business and divest other licences and business development projects. The sale of the subsidiary Oljeprospektering AB, which includes the licence E-24 in Latvia, that was agreed in 2021 was completed at the end of the second quarter 2022. The Groups captive insurance company Petroswede Insurance Company DAC was distributed as dividend to the parent company Petroswede AB.

The 2022 average Brent crude oil price increased from USD 71.49 in 2021 to USD 99.56 per barrel. Prices began the year at USD 77.78 and ended the year at USD 85.91. In 2022, the US dollar strengthened against several currencies, including the Swedish Krona, and averaged USD/SEK 10.16 in 2022. The US Dollar became 15 per cent stronger against the Swedish Krona progressively throughout 2022 with and end-of year rate of 10.44.

OPERATING INCOME AND COSTS

Despite a lower production volume, the oil sales increased by more than 42% thanks to a sharp improvement in the Brent oil price. Consolidated total revenue during the year was USD 210,956 (141,244) thousand. Svenska continued to hedge 100% of its oil production in 2022. The program ended at year end with a revaluation effect of USD -2,438 (789) thousand. Oil hedge revenue amounted to USD 0 (0) thousand and the premium expense for the year was USD 0 (5,501) thousand.

Production was 1,995 thousand barrels of crude oil in 2022, compared to 1,982 thousand barrels the previous year. The average production was 5,619 (5,899) barrels/day. The decline of –4,7% is lower than the expected natural decline in the field and is the net difference between the field being shut down for a period in 2021 due to a maintenance shut down, versus an unplanned extended stop in production during a cargo lifting and recommenced production in well P21. It should be noted that the Baobab Field is producing both oil and associated gas. The average production was 5,840 (6,353) boe/day.

Operational and exploration costs totaled USD 45,377 (31,225) thousand in 2022. The total figure is broken down into the following cost items: operating expenses USD 20,608 (22,712) thousand, royalty costs USD 8,297 (2,849) thousand and operational oil and gas tax (the host government's tax share in PSC) of USD 16,472 (5,664) thousand. The significant increase in royalty and tax costs is a consequence of all investments cost in the field having been fully recovered whereby a higher proportion of the profit oil is shared with the host state. Consolidated depreciation and impairment for 2022 amounted to USD 51,925 (58,139) thousand. Employee payroll costs for 2022 were USD 10,761 (8,678) thousand. The average number of employees was 6 (6).

Net financial items for 2022 were USD -6,432 (-6,708) thousand. Tax on profit or loss for the Group increased to USD –23,234 (-5,514) thousand mainly driven by increased revenue and higher tax to the host state as above. Total profit for the year was USD 64,976 (23,006) thousand.

INVESTMENTS AND FINANCIAL POSITION

Intangible and tangible fixed assets at year-end were USD 344,944 (364,774) thousand. Investments in intangible assets were USD 127 (416) thousand. Investments in tangible assets were USD 32,615 (16,234) thousand, including an adjustment of estimated decommissioning costs for Baobab amounting to USD 104 (2,466) thousand.

Cash flow from operations before changes in working capital was USD 114,911 (82,158) thousand. Cash and cash equivalents were USD 39,098 (22,701) thousand as of 31 December 2022. At year-end, Svenska had USD 0 (0) thousand drawn on the Reserves-Based Lending (RBL) Facility. The RBL facility has a final expiry in June 2023 whereby Svenska has initiated a process to refinance the RBL for an additional term of six years.

ENVIRONMENT, SAFETY AND GOVERNANCE

Svenska takes great care to prevent accidents that could impact negatively on people's health and the environment. Continuous improvements in our working culture and our processes are the foundation of our long-term business strategy. The application of commonly recognised Health, Safety and Environmental practices is a guiding principle in our operations, and Svenska actively participates in knowledge-sharing industry networks.

Svenska's priorities and objectives are to:

- Prevent loss of human life and avoid injury (highest priority).
- Strive for environmentally improved techniques to be used in all licences in which the Company participates, taking into account technical and economic conditions in different areas.
- Possess a well-developed environmental awareness when making technical and economic decisions.
- Try to influence partners and vendors to exceed the minimum legal requirement when environmentally called for. The objective is to be ahead of even the most stringent anticipated requirements.
- Be perceived by other companies, regulatory authorities, environmental organisations and the general public as environmentally aware and responsible.

CORPORATE SOCIAL RESPONSIBILITY

Svenska also works actively within the CSR area and engages in several projects. One example is Svenska's support to Tostan, an Africa-based charity focused on sustainable development and positive social transformation in West Africa.

Svenska's Sustainability Report 2022 sets out our approach towards sustainability and provides an overview of our intentions to contribute to a sustainable environment. The full report is available on Svenska's webpage (www.svenska.com).

GOVERNANCE

Svenska is committed to adhere to the highest of ethical standards in the way we run our business. Svenska continuously reviews and updates its framework of policy documents, which are also imposed on suppliers to Svenska and other partners.

The Board of Directors, which had three members during the year, held five (six) meetings during the past year.

RISKS AND UNCERTAINTIES

Risks in the oil & gas business
Svenska's operations are completely focused on the exploration and production of oil and gas. This is a business with high operational and financial risks. Regardless of experience and knowledge, discovery of commercial volumes of oil and gas cannot be guaranteed.

Price risk
Svenska is exposed to commodity market fluctuations as the product is sold at a price quoted against the Brent Crude benchmark. Depending on the timing of lifting the product, the Brent market price may change significantly. Svenska mitigates the downside risk by hedging the projected annual production, effectively establishing a Brent floor price.

Political risks
Svenska operates in a global market. Changes in laws and regulations concerning for example foreign ownership, state control, taxes, royalties, environmental rules and/or customs duties may have a negative effect on the financial result. Risk factors such as civil unrest, war, terror, border disputes and uprisings can also affect Svenska's operations. At year end, there was no political risk insurance taken for any country where the Group is active. The need for such insurance is continuously evaluated. When needed, and if available, such insurance will be taken.

Environmental risks
Exploration and production of oil and gas can cause environmental damage. National laws and production agreements with partners can make Svenska financially responsible for such damages. All activities are conducted according to national laws and regulations, and in line with Svenska's environmental policy. Svenska's insurance program has cover against financial exposure in the event of pollution.

Reserve estimations
All oil reserve estimates involve uncertainties that for the most part are beyond Svenska's control. Estimates are mainly based on available geological, geophysical and technical data with varying reliability. If present estimates should be proven smaller, it would have a negative impact on Svenska's long-term financial position and result.

Risks in the business and HSE effects as a consequence of Covid-19
The virus pandemic due to Covid-19 can negatively affect schedules and delay technical evaluation work prior to, for example, drilling campaigns as well as delay planned measures in the form of maintenance work and repairs of critical components. Covid-19 can also mean delays in deliveries of critical components to the business. The operation of the FPSO can be affected in case of a Covid-19 outbreak but the operator is observing a strict quarantine policy to minimize the risk of exposing the crew to Covid-19. Svenska's technical evaluation work is carried out by specialists who are subject to restrictive rules regarding social distancing and work from home.

Risks in the business as a consequence of the war in Ukraine
Svenska has no activity in the geographical area hit by Russia's invasion into Ukraine. The oil market response to the war was initially higher Brent prices, which increase the Company's earnings. In a medium to longer term, the risk of higher inflation on a global scale, is likely to lead to higher prices on essential services and supplies to the business that puts a pressure on the business margin.

FUTURE EXPECTATIONS

How the oil price will develop in the coming year remains quite uncertain. The war in Europe changes completely the energy security situation, whereby Europe will have to source crude oil from, e.g. West Africa to a higher degree. The re-opening of the Chinese economy post the pandemic is boosting global demand for oil. The global oil sector is heavily under-invested and runs with a historic low spare capacity. All these factors being considered, it tilts towards continued higher prices on crude oil. Higher prices whilst keeping a stable level of production will improve Svenska's cash flow generation.

PROPOSED APPROPRIATION OF PROFITS

The following profits are at the disposal of the Annual General Meeting of Shareholders (in SEK):

Retained profits	1,030,500,077
Net profit for the year	1,176,861,131
Total	**2,207,361,208**

The Board of Directors hereby propose unrestricted equity to be distributed as follows:

Brought forward	2,207,361,208
Total	**2,207,361,208**

For additional information regarding the Company's and the Group's result and financial status please refer to the following income statements, balance sheets as well as the notes to the financial statements.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

1 January - 31 December

Amounts in USD thousand	Note	2022	2021
Revenue from oil & gas	2	200,021	141,213
Other revenue	2, 3	10,935	31
Total	2	**210,956**	**141,244**
Operational and exploration costs	5	-45,377	-31,225
Oil price derivatives		-2,438	-4,712
Other external costs	7, 23	-5,675	-3,262
Employee benefits expenses	6	-10,761	-8,678
Depreciation and impairment	2, 10	-51,925	-58,139
Other operating expenses	4	-138	-
Operating profit	2	**94,642**	**35,228**
Finance income	8	887	2,071
Finance costs	8	-7,319	-8,779
Finance items, net		**-6,432**	**-6,708**
Profit before tax		**88,210**	**28,520**
Tax on profit for the year	9	-23,234	-5,514
PROFIT/LOSS FOR THE YEAR		**64,976**	**23,006**
Other comprehensive income			
Exchange differences for the year		-6,953	-1,104
Remeasurements of defined-benefit asset		-848	350
Total other comprehensive income for the year		**-7,801**	**-754**
Total comprehensive income		**57,175**	**22,252**

100% of the profit/loss for the year is attributable to the parent company's shareholders

Consolidated Statement of Financial Position

Amounts in USD thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Intangible assets	11	20,500	20,373
Tangible fixed assets	12	323,994	344,401
Right of use assets	23	25,262	26,770
Financial investments	13	29	31
Other non-current receivables	14, 18	35	652
Deferred tax assets	9	104	2
Total non-current assets		**369,924**	**392,229**
Current assets			
Drilling equipment and consumable supplies	15	7,928	11,829
Trade receivables	16	-	10,795
Receivables from Group companies		-	2,108
Prepayments and accrued income	17	19,091	19,684
Other receivables		287	1,063
Tax receivables		226	208
Financial investments	13	-	20,438
Cash and cash equivalents	29	39,098	22,701
Total current assets		**66,630**	**88,826**
TOTAL ASSETS		**436,554**	**481,055**

Equity and Liabilities

Amounts in USD thousand	Note	31 Dec 2022	31 Dec 2021
Equity			
Share capital		7,350	7,350
Reserves		21,373	29,174
Retained earnings, incl. profit for the year		302,127	337,151
Total equity		**330,850**	**373,675**
Liabilities			
Deferred tax liabilities	9	23,848	18,844
Other provisions	19	28,978	30,222
Leasing liability long term	23	24,660	25,701
Total non-current liabilities		**77,486**	**74,767**
Trade payables		878	1,262
Payables to Group companies		78	8,309
Other liabilities	20	3,541	1,762
Accruals and deferred income	21	22,607	20,203
Leasing liability short term	23	1,114	1,077
Total current liabilities		**28,218**	**32,613**
Total liabilities		**105,704**	**107,380**
TOTAL EQUITY AND LIABILITIES		**436,554**	**481,055**

Information regarding Group contingencies and pledged assets, see Note 25.

Consolidated Statement of Changes in Equity

Amounts in USD thousand	Share capital	Translation reserve	Remeasurements of defined benefit obligations	Retained earnings incl. net profit/loss	Total equity
Opening equity balance 1 Jan, 2021	**7,350**	**29,430**	**498**	**314,145**	**351,423**
Profit/loss for the year	-	-	-	23,006	23,006
Other comprehensive income for the year	-	-1,104	350	-	-754
Total comprehensive income for the year	**-**	**-1,104**	**350**	**23,006**	**22,252**
Closing equity balance 31 Dec, 2021	**7,350**	**28,326**	**848**	**337,151**	**373,675**
Profit/loss for the year	-	-	-	64,976	64,976
Other comprehensive income for the year	-	-6,953	-848	-	-7,801
Total comprehensive income for the year	**-**	**-6,953**	**-848**	**64,976**	**57,175**
Paid dividend to owner	-	-	-	-100,000	-100,000
Closing equity balance, 31 Dec 2022	**7,350**	**21,373**	**-**	**302,127**	**330,850**

Consolidated Statement of Cash Flows

1 January - 31 December

Amounts in USD thousand	Note	2022	2021
Indirect method			
Operating activities			
Profit before tax[1]		88,210	28,520
Adjustment for non-cash items	29	26,744	53,765
Total		**114,954**	**82,285**
Taxes paid		-43	-127
Total		**114,911**	**82,158**
Cash flow from changes in working capital			
Decrease(+)/increase(-) in inventories		3,901	-20
Decrease(+)/increase(-) in operating receivables		12,727	-14,780
Decrease(-)/increase(+) in operating liabilities		8,670	-8,116
Cash flow from operating activities		**140,209**	**59,242**
Investing activities			
Acquisition of intangible assets	11	-232	-627
Acquisition of tangible fixed assets	12	-32,615	-13,768
Sale of subsidiary		-6,201	1,980
Acquisition of financial assets	13	18,000	-23,500
Assets held for sale	31	-	2,621
Cash flow from investing activities		**-21,048**	**-33,294**
Financing activities			
Repayment of borrowings	30	-	-32,000
Dividends paid		-100,000	-
Cash flow from financing activities		**-100,000**	**-32,000**
Cash flow for the year		**19,161**	**-6,052**
Cash & cash equivalents at beginning of year		22,701	30,605
Exchange differences		-2,764	-1,852
Cash & cash equivalents at end of year	29	**39,098**	**22,701**

1) The amount includes interest received of USD 1,233 (25) thousand, and interest paid of USD 2,715 (3,683) thousand. For supplementary information to the consolidated cash flow statement, see Note 29.

Note 1 - Significant accounting policies

GENERAL INFORMATION

Svenska Petroleum Exploration AB, org nr 556093-2583, is a limited company, which is incorporated in Sweden and has its registered office in Stockholm. Headquarters are located at Biblioteksgatan 29, SE-114 35 Stockholm, Sweden.

The consolidated statement of comprehensive income and statement of financial position and the Parent Company's income statement and statement of financial position will be presented for adoption at the annual general meeting on May 23, 2023.

STATEMENT OF COMPLIANCE

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC), as adopted by the EU. In addition, the recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. RFR 1 is issued by the Swedish Financial Reporting Board.

The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section entitled "The Parent Company's Significant Accounting Policies – Note 100." Any differences are due to limitations in the ability to apply IFRS in the Parent Company as a result of the provisions of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act.

BASIS OF PREPARATION OF THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

Assets and liabilities are measured at historical cost, apart from certain financial assets and liabilities, which are measured at fair value. The financial assets and liabilities that are measured at fair value consist of derivatives classified at fair value through profit or loss. Pension obligations are reported as a net between the present value of defined benefit obligation and the fair value of plan assets. Non-current assets held for sale are measured at lower of its carrying amount and fair value less costs to sell.

FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the Parent Company. The consolidated financial statements are presented in US dollars since that is the currency in which the majority of the Group's transactions are denominated. All amounts are rounded to the nearest thousand, unless otherwise stated. For the preparation of the annual consolidated financial statements, the following currency exchange rates have been used:

1 USD equals SEK

2022	2022	2021	2021
Average	Period end	Average	Period end
10,1562	10,4371	8,568585	9,0437

JUDGEMENTS AND ACCOUNTING ESTIMATES IN THE FINANCIAL STATEMENTS

Preparation of financial reports in accordance with IFRS requires use of a number of significant accounting estimates.
In addition, management is required to make certain judgements when applying the Company's accounting policies. Information about areas which are complex or involve a high proportion of assumptions and estimates, or areas where accounting estimates are of key significance to the consolidated financial statements can be found in Note 28.

NEW ACCOUNTING PRINCIPLES FROM 2022

Changes in standards and interpretations that enter into force on 1 January 2022 are not having any material impact on Svenska Group accounting.

AMENDED ACCOUNTING POLICIES FROM 2023

Other changes in standards and interpretations that enter into force on 1 January 2023 or subsequently are not expected to have any material impact on the Group accounting.

SIGNIFICANT ACCOUNTING POLICIES APPLIED

The Group's significant accounting policies are described below:

OPERATING SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may generate revenues and incur expenses, and for which discrete financial information is available. Group management monitors the performance of an operating segment in order to evaluate it and allocate resources to the operating segment.

See Note 2 for a further description of the classification and presentation of operating segments.

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are companies over which Svenska Petroleum Exploration AB has a controlling influence. A controlling influence is present if Svenska Petroleum Exploration AB has influence over the investment object, is exposed to or has the right to variable return by virtue of its involvement and can exert its control over the investment to influence returns. Potential share voting rights and the existence or non-existence of de facto control are factors in determining whether controlling influence exists. Subsidiaries are consolidated according to the acquisition method of accounting, whereby the acquisition of a subsidiary is regarded as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis defines the acquisition date fair value of the identifiable assets acquired, liabilities and any non-controlling interests. Acquisition-related costs that arise, with the exception of those attributable to the issue of equity or debt instruments, are recognized directly in profit/loss for the year. The contingent consideration is measured at fair value on the acquisition date and the effects of the remeasurement of liabilities related to the contingent consideration are recognized as income or expense in profit/loss for the year. There are two options for measuring non-controlling interest (NCI) and goodwill: either fair value (or the full goodwill method) and the NCI's proportionate share of the net assets of the acquire. The choice between these two methods is made individually for each acquisition. Moreover, additional acquisitions that take place after control has been achieved are considered to be owner transactions and are recognized directly in equity.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group receivables and liabilities, income and expense, and unrealized gains or losses arising from intra- group transactions are eliminated in full when preparing the consolidated financial statements. Unrealized gains on transactions with associates and jointly controlled entities are eliminated to the extent that corresponds to the Group's interest in the company. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of impairment.

FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currency are translated into the functional currency according to the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rates prevailing on the reporting date. Foreign exchange differences arising on translation are recognized in profit or loss. Non-monetary assets and liabilities recognized at historical cost are translated using the exchange rates prevailing at the date of the transaction. Non-monetary assets and liabilities recognized at fair value are translated into the functional currency using the exchange rates prevailing at the date of the fair value measurement. Subsequent exchange gains and losses are reported in the same way as other value changes relating to the asset or liability. Exchange differences arising on foreign currency loans and which relate to investments in independent foreign operations are recognized in other comprehensive income and are accumulated in a separate component of equity, the translation reserve. When foreign operations are disposed of, cumulative exchange differences are recognized in profit or loss. The functional currency is the currency of the primary economic environment in which the Group conducts business. Companies within the Group are the Parent Company and subsidiaries. The Parent Company's functional currency and presentation currency is the Swedish krona. The Group's presentation currency is US dollar.

Financial statements of foreign operations

The assets and liabilities of foreign entities, including goodwill and other fair value adjustments arising on consolidation, are translated into US dollar using the exchange rate prevailing at the reporting date. The income and expenses of foreign entities are translated into US dollar using an average exchange rate that is an approximation of the rates prevailing at each transaction date.

Exchange differences arising on translation of a foreign net investment are recognized in other comprehensive income and accumulated in the translation reserve, which is a separate component of equity. On disposal of a foreign operation, the cumulative exchange differences are reclassified from equity to profit or loss as a reclassification adjustment at the time the gain or loss on disposal is recognized.

JOINT CONTROLLED OPERATIONS

The Group engages in oil and gas operations as a joint controlled partner with other parties. These types of arrangements are usually structured through joint operating agreements (JOA) that regulate entitlements and obligations. In conclusion, the partners of a jointly controlled operation are independent parties, meaning that costs and revenue are distributed between the partners and each party is independently responsible for its share. Produced oil is divided between the parties according to the agreement and each party is separately responsible for the sale of oil. If a party is not able to pursue its financial obligations the other parties are obliged to cover the costs. The Group's interests in jointly controlled licenses are accounted for using the proportionate consolidation method, which means that the consolidated financial statements include the Group's proportionate share of production, investment costs, operating income and expenses, current assets and current liabilities.

REVENUE RECOGNITION

The actual production of crude oil is recognized as revenue with the associated costs in the current period. The entitlement to the crude oil normally arises under production sharing contracts as the oil is produced. The method of revenue recognition is based on observable market prices and a minimal risk to the seller in terms of sales and distribution. Sales arrangements for oil in jointly owned oil and gas assets are frequently such that it is not practicable for each participant to sell its precise contractual share during the period. Any imbalance between production and sales for each participant is referred to as an overlift or underlift. If the difference between production and actual sales is positive, it is reported as accrued income (underlift). If the difference is negative, it is reported as an accrued expense (overlift). Both underlift and overlift are measured at fair value at the reporting date.

LEASING

When a contract is concluded, the Group determines whether the agreement is, or contains, a lease. A contract is, or contains, a lease if the contract leaves the right to decide for a certain period the use of an identified asset in exchange for compensation.

The Group recognizes a Right of use asset and a leasing liability at the start date of the lease. The Right of use asset is initially valued at cost, which consists of the initial value of the lease liability with a supplement for leasing fees paid at or before the start date plus any initial direct expenses. The right of use asset is written off linearly from the initial date to the earlier end of the asset's useful life and the end of the lease period, which is normally the end of the lease period.

The leasing liability – which is divided into the long-term and short-term part – is initially valued at the present value of the remaining leasing fees during the assessed lease period. The leasing period consists of the non-reputable period supplementing additional periods in the contract if it is deemed reasonably certain at the start date that they will be used.

Leasing fees are normally discounted with the Group's marginal borrowing rate, which, in addition to the Group/ Company's credit risk, reflects the leasing period, currency and quality of underlying asset as intended collateral. The value of the liability is increased by the interest cost of each period and reduced with the leasing payments. The interest cost is calculated as the value of the debt times the discount rate.

For leases having a leasing period of 12 months or less or with an underlying low-value asset, less than USD 5 thousand, no right-of-use asset and lease liability are recognized. Leasing fees for these leases are recognized as a cost linearly over the lease period.

FINANCE INCOME AND COSTS

Finance income and costs comprise interest income from bank deposits and receivables and interest-bearing securities, interest payable on borrowings, dividend income, exchange differences and unrealized gains and losses on financial investments.

Interest expenses and other costs related to external loans including issue expenses and similar expenses are reported as financial expenses. Issue expenses and similar expenses for direct transactions concerning loans are allocated in accordance with the effective-interest-method.

The present value effect when calculating revenue from dividends is recognized when the right to receive payment is established.

TAXES

The Group's income tax consists of current tax and deferred tax. Income taxes are recognized in the income statement, unless the underlying transaction is recognized in other comprehensive income or in equity, in which case the associated tax effect is recognized in other comprehensive income or in equity. Current tax is tax that must be paid or received in respect of the current year. This also includes any adjustment of current tax attributable to previous periods. Deferred tax is provided using the statement of financial position liability method. A deferred tax asset/ liability is recognized for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Amounts are calculated based on how the temporary differences are expected to be settled and by applying the tax rates enacted or substantively enacted by the reporting date.

No deferred tax is recognized for temporary differences relating to investments in subsidiaries and joint ventures that are not expected to be taxed in the foreseeable future. Deferred tax assets on temporary differences and deferred tax assets arising from the carry forward of unused tax losses are only recognized to the extent that it is probable that they will be recoverable in future periods.

FINANCIAL INSTRUMENTS

Financial instruments reported under assets in the statement of financial position include cash and cash equivalents and trade receivables, loan receivables and derivatives. Financial instruments reported under equity and liabilities include trade payables, loan payables and derivatives.

Recognition and de-recognition in the statement of financial position

A financial asset or liability is recognized in the statement of financial position when the company becomes a party to the instrument's contractual terms. A receivable is recognized when the company has performed and the counterparty has a contractual obligation to pay, even if an invoice has not yet been sent.

Financial assets are derecognized in the statement of financial position when the rights under the contract have been realized, have expired or the company loses control over them. The same applies to a part of a financial asset.

Financial liabilities are derecognized in the statement of financial position when the contractual obligation has been discharged or extinguished in some other way. The same applies to a part of a financial liability.

A financial asset and a financial liability may be offset and the net amount presented in the statement of financial position when, and only when, the company has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Cash and cash equivalents consist of cash, demand deposits with banks and similar institutions, as well as short- term deposits with an original maturity of 3 months or less, which are subject to an insignificant risk of change in value.

Classification and Measurement

Financial instruments are initially recognized at fair value with the addition of transaction costs for all financial instruments except derivative instruments that are initially recognized at fair value, which means that transaction costs are posted to the statement of income for the period.

Financial Assets

A financial asset is measured at amortized cost if it is in line with both of the following terms and if not identified as measured to fair value through the financial statement of income:

- it is held within the framework of a business model whose objective is to hold financial assets in order to obtain contractual cash flows, and
- the contractual terms for the financial asset give rise at specific times to cash flows which are only payments of capital amounts and interest on the outstanding balance.

Amortized cost is calculated based on the effective interest method used at initial recognition. Accounts receivables are recognized at the amounts expected to be received and adjusted for any loss allowance. The Group markets its production to a wide range of major oil companies on an arm´s length basis. Since the production is already sold to a buyer when lifted and billed through an oil marketeer, the risk of loss allowances is very low.

The Group has derivatives that are valued at fair value through the financial statement. The Group does not apply hedge accounting.

Financial Liabilities

Loans and other financial liabilities, such as trade payables, are measured at amortized cost. The categories to which the Group's financial assets and liabilities have been allocated are shown in Note 22.

Non-current Assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediately sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active program to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

INTANGIBLE ASSETS

Exploration costs

The Group uses the successful-efforts method when capitalizing exploration costs. The method means that all exploration costs in the oil licenses in which Svenska Petroleum Exploration has an interest, indirectly through contracts, are capitalized as intangible assets, pending determination of commercially recoverable reserves. Directly attributable costs, such as administrative costs, are capitalized only to the extent that they can be related to specific exploration activities. No continuous depreciation is reported under the successful-effort method. If an exploratory well is in progress at the end of an accounting period and the well is determined not to be successful at that time, the capitalized costs are written down. Following the discovery of a commercially viable field, the intangible assets are reclassified as tangible fixed assets. This type of reclassification is always preceded by impairment testing. Impairment testing is also performed annually for assets considered to be commercial discoveries, but for which a final investment decision has not been made.

TANGIBLE FIXED ASSETS

Oil and gas assets

Tangible fixed assets consist of oil and gas assets, construction in progress and equipment. The statement of financial position item oil and gas assets relates to the Group's interests in oil licenses. Investment and construction costs are allocated to the Group by invoices from the operator in the oil and gas assets in which the Group is a partner.

Tangible fixed assets are recognized at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

Depreciation

Capitalized expenses are depreciated from the start of production. Depreciation is calculated according to the unit-of-production method, which is based on the year's production and its relation to proven and probable reserves of oil. The basis for calculating the unit of production consists of the estimated investments over the life of the field. Proven oil and gas reserves are defined as the estimated amount of crude oil, natural gas and liquid natural gas which, on the basis of geological and engineering data provided by the operator of the field or an independent party, and with reasonable probability (higher than 90 %), can be extracted in the future from known reserves within the current economic and operational environment, i.e. oil prices and costs at the date of the calculation.

Probable reserves are unproven reserves which, on the basis of analyses of geological and engineering data, are considered more likely than not to be recoverable.

In this context, it is considered that there should be at least 50 per cent probability that the extracted quantities will equal or exceed the sum of proven and probable reserves. Machinery and equipment (excluding computers) are depreciated over 5 years. Computers and computer equipment are depreciated over 3 years.

IMPAIRMENT

If a change in economic conditions indicates a possible decline in the value of oil gas assets or exploration costs, the net carrying amount of the asset is assessed by comparison with its estimated discounted future net cash flows. The calculation is based on management's assessment of future oil prices and costs. An impairment loss is recognized if the carrying amount exceeds the discounted present value of the cash flows. The impairment loss is reversed if the carrying amount is lower than the discounted present value of the cash flows. Licenses that are in the exploration phase are not subjected to impairment testing. Impairment testing is normally done during reclassification to the statement of financial position item construction in progress.

Reversal of impairment losses

Impairment of assets is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions on which the calculation of recoverable amount was based. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation where applicable, had no impairment loss been recognized.

INVENTORIES

Inventories are recognized at the lower of cost and net realizable value. Cost is determined using the first-in, first- out method (FIFO).

OVERLIFT AND UNDERLIFT

Overlift and underlift are described under revenue recognition.

EMPLOYEE BENEFITS

The Group has a number of different pension plans for its employees. In Sweden the pension plans for employees are defined benefit plans (ITP 1 and ITP 2 as well as "tiotaggarlösning"). The CEO and management team of Svenska Petroleum Exploration AB have a defined contribution plan. The pension arrangements for the branch in the UK are defined contribution plans.

Defined contribution plans are plans under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions. The Group's profit (loss) is charged with expenses as the benefits are earned. The defined benefit plans are funded. This means the assets have been placed in a separate pension fund, managed by Folksam. These managed assets can only be used to pay benefits in accordance with the pension agreement.

With defined benefit plans, employees and former employees receive benefits on the basis of salary upon retirement and the number of years' service. The Group bears the risk that the defined benefits are paid.

The net present value of the obligations and the fair value of plan assets are reported as a long-term financial receivable or pension provision in the statement of financial position.

Pension costs and pension obligations for defined benefit pension plans are calculated using the projected unit credit method. This method allocates the cost of pensions as the employees render services to the company and thereby increase their entitlement to future benefits. The Company's obligation is calculated annually.

The pension obligation is measured as the present value of estimated future cash outflows. The discount rate is determined by reference to the interest rates for corporate bonds of a term consistent with the average term of the obligations and the currency. The main actuarial assumptions are described in Note 18.

Revaluation effects consist of actuarial gains and losses and the difference between the actual return on plan assets and the amount included in net interest income. Actuarial gains and losses arise either because the actual outcome differs from the previous assumptions (experience adjustments) or as a result of changed assumptions. The revaluation effects are recognized in other comprehensive income as soon as they occur. Net interest expense/income on the defined benefit obligation/asset is recognized in profit/loss for the year under net financial items. Net interest income is based on the interest arising on discounting of the net obligation, i.e., interest on the obligation and the plan assets. Other components are recognized in operating profit/loss.

PROVISIONS

Abandonment costs

At the end of the productive life of an oil field, costs associated with the removal and abandonment of the oil and gas facilities arise. The Group recognizes the full-discounted estimated costs of abandonment as a provision and a non-current asset when the obligation to rectify environmental damage arises. Where discounting is used, the increase in the provision over time is recognized as a finance cost. The non-current asset is depreciated according to the Group's accounting policies for oil and gas assets.

Other provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

CONTINGENT LIABILITIES

A contingent liability is recognized when a possible obligation arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of 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 probable that an outflow of resources will be required to settle the obligation

ACCOUNTING POLICIES – PARENT COMPANY

The Parent Company's annual financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board's statements for listed companies are also applied. RFR 2 requires the Parent Company, as a legal entity, to prepare its annual financial statements in compliance with all the IFRS and IFRIC interpretations adopted by the EU, to the extent possible within the framework of the Swedish Annual Accounts Act and the Swedish pension obligations Vesting Act and taking into account the relationship between tax expense/income and accounting profit. The recommendation states which exceptions from and additions to IFRS shall be observed.

Cases where the Parent Company applies different accounting policies than the Group are stated separately in Note 100 to the Parent Company

Note 2 - Segment Reporting

Svenska has identified the Group Executive Management as its operating decision maker. Management has determined the operating segments based on the internal management and Board reporting that is used to review performance and make strategic decisions on resource allocation. Management reviews the business from a geographical perspective.

Total revenues	2022	2021
The Ivory Coast[1]	210,641	141,213
Sweden	315	31
Total	**210,956**	**141,244**

Income from external customers	2022	2021
Customers[1]	200,021	141,213

1) Svenska has a marketing contract with an international oil trading company, "the marketeer", which is offering the cargo shipments to buyers, mainly refineries, around the world. A buyer of a cargo shipment is selected from bidders, quoting their prices against world crude benchmarks, e.g. Brent. The marketeer buys each cargo and sells it to the selected buyer on the agreed terms, hence having 100% (100%) of the Group's revenue and attributable to the Ivory Coast. The customers and the marketeer's registered offices are outside the country.

Depreciation and impairment	2022	2021
The Ivory Coast	-51,809	-58,070
Nigeria	-61	-34
Sweden	-55	-35
Total	**-51,925**	**-58,139**

Operating profit/loss[1]	2022	2021
The Ivory Coast	100,474	41,198
Nigeria	-594	-673
Ireland	-	-222
United Kingdom	-415	293
Sweden	-4,823	-5,368
Total	**94,642**	**35,228**

1) Internal costs are divided between the segments.

Note 2 - Cont.

Intangible assets	2022	2021
The Ivory Coast	20,500	20,373
Total	**20,500**	**20,373**

Tangible assets	2022	2021
The Ivory Coast	322,935	343,202
United Kingdom	1,020	1,156
Sweden	39	43
Total	**323,994**	**344,401**

Right of use assets (lease)	2022	2021
The Ivory Coast	25,196	26,770
Sweden	66	-
Total	**25,262**	**26,770**

This year´s investments	2022	2021
The Ivory Coast	32,615	16,615
Guinea-Bissau	-	211
Nigeria	-	35
Total	**32,615**	**16,861**

Liabilities and provisions	2022	2021
The Ivory Coast	100,866	101,918
Nigeria	235	199
Ireland	-	345
United Kingdom	1,916	2,490
Sweden	2,687	2,428
Total	**105,704**	**107,380**

Note 3 - Other Operating Income

	2022	2021
Reversal of provision for project costs	10,620	-
Other operating income	315	31
Total	**10,935**	**31**

Note 4 – Other Operating Expenses

	2022	2021
Exchange-rate losses	-138	-
Total	**-138**	**-**

Note 5 – Operational and Exploration Costs

	2022	2021
Operating expenses	-20,608	-22,712
Royalties	-8,297	-2,849
Oil and gas tax, operational	-16,472	-5,664
Total	**-45,377**	**-31,225**

Management of certain operational and exploration costs
Some costs may arise early in the business process due to clauses in production sharing contracts. There may, for example, be royalty clauses, special agreements on payment of general taxes and agreements on bearing some of another party's costs which by tradition in the industry are paid by deducting oil from the Group's share of the produced oil. These costs are accounted for in the same way as other costs as they reduce the profit that would otherwise have risen.

Note 6 – Employee Benefit Expenses

Information on employee benefit expenses in the Parent Company can be found in Note 104 for the Parent Company. All employee expenses for the Group relate to the Parent Company.

	2022		2021	
Average number of employees	**Employees**	**whereof male**	**Employees**	**whereof male**
Sweden	2	2	2	2
United Kingdom	4	2	4	2
Total	**6**	**4**	**6**	**4**

	2022	2021
Executive management		
Board members	3	3
Executive management	4	4
Gender distribution (female representation in %)		
Board members	0%	0%
Executive management	50%	50%

	2022		2021	
Personnel costs	**Senior executives**	**Other employees**	**Senior executives**	**Other employees**
Salaries and other benefits	7,967	288	6,152	299
-of which bonuses to senior executives	*2,940*		*1,790*	
Social security contributions	1,498	40	1,145	46
Pension costs	469	28	569	198
Total	**9,934**	**356**	**7,866**	**543**

The CEO, Mr. Fredrik Öhrn, received a fixed salary of USD 706 (746) thousand, a bonus of USD 353 (390) thousand and other benefits of USD 12 (19) thousand. His pension costs for the year amounted to USD 292 (353) thousand. Pension premiums amount to 30 per cent of pensionable salary with regard to retirement pension and survivors' pension. Pensionable salary means the basic salary plus an average of the variable pay over the last three years. Other senior executives (not Board members) have a similar type of pension agreement, but at a lower percentage.

The CEO has a formally agreed period of notice from both party's sides.

Fees paid to Board members	2022	2021
Jason Milazzo	49	58
Richard Öhman	20	23
Petter Holland	20	23
Total	**89**	**104**

Note 7 – Auditors' Fees and other Remuneration

	2022	2021
KPMG		
Annual audit	43	58
Other Audits		
Annual audit	10	11
Total	**53**	**69**

Note 8 – Finance Income and Costs

	2022	2021
Sale of subsidiary	-1,043	131
Interest income on bank deposits	1,242	53
Net exchange-rate differences	688	1,887
Finance income	**887**	**2,071**
Group contribution	-	-980
Interest expense on financial liabilities measured at amortized cost	-4,231	-4,453
Interest expense on leases	-2,314	-2,439
Other financial costs	-774	-907
Finance costs	**-7,319**	**-8,779**

All interest rates relate to items that are not measured at fair value.

Note 9 – Taxes

	2022	2021
Tax expense for the period	-18,769	-6,556
Adjustment of tax in respect of prior years	47	-
Current tax	**-18,722**	**-6,556**
Deferred tax from temporary differences	-4,512	1,042
Deferred tax	**-4,512**	**1,042**
Total recognized tax expense (-) income (+)	**-23,234**	**-5,514**
Reconciliation of effective tax		
Profit/loss before tax from continuing operations	88,210	28,520
Result before tax	**88,210**	**28,520**
Tax at Swedish enacted tax rate 20,6%	-18,171	-5,875
Non-deductible expenses	-3,829	-1,466
Non-taxable income	5,473	1,587
Tax effect, petroleum tax Ivory Coast	-5,663	-1,331
Effect of different tax rates for foreign subsidiaries	-45	-163
Exchange-rate differences[1]	-1,022	-216
Loss carry forward not recognized as deferred tax asset	-24	1,950
Tax attributable to prior years	47	-
Recognized tax expense (-) income (+)	**-23,234**	**-5,514**
Effective tax	**26,3%**	**19,3%**

1) Exchange-rate differences refers to exchange effects in entities reporting in another currency than the legal currency.

Note 9 – Cont.

Management of general taxes specific to the industry

Under certain contractual clauses, some general taxes may be paid early in the business process. For example, there may be a host government agreement allowing use of part of the Group's share of the produced oil as payment of general taxes. This type of agreement is traditional in the industry. These taxes are accounted for in the same way as other taxes, even though the method of tax payment differs.

In one case, a higher corporate tax has been negotiated in production-sharing contracts for the extraction of crude oil. The amount of tax varies with the level of production. The portion of the corporate tax that exceeds the country's standard corporate income tax is classified as an operational cost, even though it is legally viewed as a general tax. This tax is attributable to production in the Ivory Coast.

Recognized deferred tax assets and liabilities

31 Dec 2022	Deferred tax asset	Deferred tax liability	Net
Oil and gas assets	-	-19,507	-19,507
Loss carry forward	-	-	-
Provision for abandonment	-	-4,341	-4,341
Total	**-**	**-23,848**	**-23,848**

31 Dec 2021			
Oil and gas assets	-	-18,337	-18,337
Loss carry forward	3,638	-	3,638
Provision for abandonment	-	-4,019	-4,019
Other	2	-126	-124
Total	**3,640**	**-22,482**	**-18,842**
Net	-3,638	3,638	-
According to balance sheet	**2**	**-18,844**	**-18,842**

Note 9 – Cont.

Changes in deferred tax

31 Dec 2022	Amount at beginning of year	Disclosed in income statement	Other changes[1]	Amount at end of year
Oil and gas assets	-18,337	-1,170	-	-19,507
Provision for abandonment	-4,019	-354	32	-4,341
Loss carry forward	3,638	-3,249	-389	-
Other	-126	158	-32	-
Total	**-18,844**	**-4,615**	**-389**	**-23,848**

31 Dec 2021	Amount at beginning of year	Disclosed in income statement	Other changes[1]	Amount at end of year
Exploration costs	-2,429	2,429	-	-
Oil and gas assets	-20,183	-63	1,909	-18,337
Provision for abandonment	-3,762	-257	-	-4,019
Loss carry forward	5,106	-1,040	-428	3,638
Other	-20	-27	-79	-126
Total	**-21,288**	**1,042**	**1,402**	**-18,844**

1) Other changes refer mainly to exchange effects due to revaluation of tax assets and liabilities in Sweden.

Not recognized deferred tax

The Group has deductible temporary differences and taxable losses for which deferred tax assets have not been recognized in profit and loss statement and balance sheet, because the realization is dependent on the future taxable profits of the Company which cannot be quantified with any certainty at this stage. The tax losses refer to Nigeria.

Note 10 – Depreciation and Impairment

	2022	2021
Depreciation		
Oil and gas assets		
The Ivory Coast	50,234	56,495
Other		
Equipment	15	18
Right-of-use assets	1,575	1,592
Total depreciation	**51,824**	**58,105**
Impairment		
Exploration costs		
OML 145, Nigeria	101	34
Total impairment	**101**	**34**
Total depreciation and impairment	**51,925**	**58,139**

Impairment Exploration costs

The prospects of continued development of OML 145 are uncertain due to the Petroleum Industry Bill passed by the Nigerian Government resulting in additional royalties and uncertainty concerning the economics of the project. Therefore, Svenska has taken a prudent view and written down the carrying value of the asset to nil pending clarification on the contractual terms and the way forward.

Note 11 – Intangible Assets

Exploration costs	31 Dec 2022	31 Dec 2021
Opening costs	288,136	287,720
Additions	187	627
Assets classified as held for sale and disposals[1]	-	-211
Closing accumulated cost	**288,323**	**288,136**
Opening impairment	-267,763	-267,728
Impairment for the year[1]	-60	-35
Closing accumulated impairment	**-267,823**	**-267,763**
Carrying amount at end of period	**20,500**	**20,373**

Carrying amount per field	Operator	Participating interest %	31 Dec 2022	31 Dec 2021
Nigeria, OML 145	ExxonMobil	21.05%	-	-
The Ivory Coast, CI-40, Kossipo	CNR	27.39%	20,500	20,373
Total			**20,500**	**20,373**

Purchases include the value of exploration costs which are capitalized as pending assessment of commercially recoverable reserves. For estimated resources per field, see note 12.
1) Impairment losses relate to Nigeria

Note 12 – Tangible Fixed Assets

	Oil and gas assets[2]	Equipment[3]	Total
Opening cost, 1 Jan 2021	**823,971**	**1,662**	**825,633**
Exchange-rate differences[1]	-	-103	-103
Investments	16,234	-	16,234
Closing accumulated cost, 31 Dec 2021	**840,205**	**1,559**	**841,764**
Exchange-rate differences[1]	-	-132	-132
Investments	32,615	-	32,615
Disposals	-2,649	-	-2,649
Closing accumulated cost, 31 Dec 2022	**870,171**	**1,427**	**871,598**
Opening depreciation, 1 Jan 2021	**-440,507**	**-348**	**-440,855**
Exchange-rate differences[1]	-	5	5
Depreciation for the year	-56,495	-18	-56,513
Closing accumulated depreciation, 31 Dec 2021	**-497,002**	**-361**	**-497,363**
Exchange-rate differences[1]	-	8	8
Depreciation for the year	-50,234	-15	-50,249
Closing accumulated depreciation, 31 Dec 2022	**-547,236**	**-368**	**-547,604**
Carrying amount, 31 Dec 2021	**343,203**	**1,198**	**344,401**
Carrying amount, 31 Dec 2022	**322,935**	**1,059**	**323,994**

1) Relates to SEK companies in the Group.
2) Oil and Gas assets refers to The Ivory Coast. Investments and disposals include changes in estimates of futures cost of abandonment.
3) Equipment refers to Svenska Petroleum Exploration AB.

	2022[1]			2021[1]		
Resources and reserves, Svenska share	**Oil (mmbo)**	**Gas (bcf)**	**Total (mmboe)**	**Oil (mmbo)**	**Gas (bcf)**	**Total (mmboe)**
Reserves (2P)						
The Ivory Coast, CI-40 Baobab	28,7	13,5	31,1	22,7	9,0	24,3
Resources (2C)						
Ivory Coast, CI-40 Kossipo	23,6	19,7	27,1	27,1	22,7	31,2
Ivory Coast, CI-40 Baobab Phase V	-	-	-	12,6	7,7	14,0
Ivory Coast, CI-40 future potential (incl Phase VI)	6,5	3,4	7,1	10,0	5,3	10,9
Nigeria, OML 145 Uge	58,7	51,6	67,9	58,7	51,6	67,9
Total Resources (2C)	**88,8**	**74,7**	**102,1**	**108,4**	**87,3**	**124,0**

1) Source: 2P Svenska, 2C Svenska, other field operator figures

Note 13 – Financial Investments

Financial investments held as non-current assets	31 Dec 2022	31 Dec 2021
Stocks	29	31
Total	**29**	**31**
Opening balance	31	35
Exchange-rate differences	-2	-4
Closing balance	**29**	**31**

Financial investments held as current assets	31 Dec 2022	31 Dec 2021
Put options	-	2,438
Short-term deposits	-	18,000
Total	**-**	**20,438**
Opening balance	20,438	2,260
Purchase	-	23,500
Sale	-18,000	-610
Revaluation	-2,438	-4,712
Closing balance	**-**	**20,438**

The Group is exposed to various financial risks and the most substantial is fluctuations in the Brent Oil price. In order to protect the Group from this exposure, the Group has hedged with put options. An estimated production volume of 2,004,000 barrels for 2022 was hedged whereof 1,002,000 barrels at 35 USD per barrel and 1,002,000 barrels at 50 USD per barrel. Financial assets are valued at fair value and reported in the profit and loss statement. The fair value of the derivative is based on quotations from the bank. The calculation is based on Black & Scholes model for an estimated option price. Similar contracts are traded in an active market, whereby the fair value, level 2, is considered to be an appropriate measurement level, according to the fair value levels applied in accordance with IFRS accounting principles. The Group does not apply hedge accounting.

Note 14 – Other Non-Current Receivables

	31 Dec 2022	31 Dec 2021
Pension fund (see Note 18)	-	611
Other long-term receivables	35	41
Total	**35**	**652**

Note 15 – Drilling Equipment and Consumable Supplies

	31 Dec 2022	31 Dec 2021
Drilling equipment and consumable supplies, CI-40 Baobab	7,928	11,829
Total	**7,928**	**11,829**

Note 16 – Trade Receivables

	31 Dec 2022	31 Dec 2021
Opening balance	10,795	6,369
Received payments	-10,795	-6,369
Increase during the year	-	10,795
Carrying amount at the end of the period	**-**	**10,795**

Trade receivables are related to CI-40 Baobab. The Group's credit risk is limited, as there is no significant customer concentration, and the counterparties are reputable and transparent multi-national companies, see also Note 2.

Note 17 – Prepayments and Accrued Income

	31 Dec 2022	31 Dec 2021
Prepaid insurance costs	808	803
Prepaid finance costs	347	1,042
Underlift	17,564	17,824
Other prepayments	372	15
Total	**19,091**	**19,684**

Note 18 – Pensions

Employees in Sweden are covered by defined benefit pension plans, which mean that they are guaranteed a pension equal to a certain percentage of their salary. Pension obligations for some employees have been accounted for in the statement of financial position using the book reserve method and are funded through KP Stiftelse. These are mainly old-age pension obligations and the plan is closed. During 2022 the obligation has been transferred to Folksam releasing the Group from any further obligation.

All salaried employees in Sweden are covered by insurance with Alecta (ITP 1 and ITP 2). All payments are funded by the employer. ITP 1 is classified as a defined contribution plan. According to the Swedish Financial Reporting Board's statement UFR 10, classification of ITP 2 plans financed by insurance in Alecta, this is a multi-employer defined-benefit pension plan. The Company did not have access to sufficient information for the 2022 fiscal year to report its proportionate share of the plan's obligations, plan assets and costs, which meant that it was not possible to report the plan as a defined-benefit plan. Consequently, the ITP 2 pension plan insured through Alecta is reported as a defined-contribution plan.
The Group's share of total actives in ITP 2, Alecta amounts to 0.00052 (0.00050) percent.

Amounts in the balance sheet	31 Dec 2022	31 Dec 2021
Present value of funded obligations	-	1,941
Fair value of plan assets	-	2,552
Funded plan	**-**	**611**
The net amount is recognized in the following items in the statement of financial position:		
Other non-current receivables (see Note 14)	-	611

Amounts in total comprehensive income	2022	2021
Cost of defined-contribution plans and ITP 2	772	767
Net interest income	2	3
Amount reported in income statement	**774**	**770**
Amounts included in other comprehensive income		
Remeasurements:		
Actuarial gains (+) and loss (-)	-250	155
Return on plan assets	27	242
Net amount reported in other comprehensive income	**-223**	**397**

Note 18 – Cont.

Movement in the present value of the defined-benefit obligation	31 Dec 2022	31 Dec 2021
Opening balance:	1,941	2,408
Interest expense reported in the income statement	7	27
Settlement payments from plan assets	-1,991	-125
Actuarial gain (-) and loss (+) due to changes in financial assumptions	-223	-137
Gain (-) and loss (+) on settlements	473	-
Gain (-) and loss (+) due to experience assumptions	-	-18
Effect of changes in foreign exchange rates	-207	-214
Closing balance	**-**	**1,941**

Membership statistics		
Vested deferreds	0%	36,5%
Retirees	0%	63,5%

Movement in present value of plan assets	31 Dec 2022	31 Dec 2021
Opening balance:	**2,552**	**2,665**
Interest income reported in the income statement	9	30
Benefit from employers	-299	-125
Return on plan assets	27	242
Settlement payments from plan assets	-1,991	-
Effect of changes in foreign exchange rates	-298	-260
Closing balance	**-**	**2,552**

Plan assets distribution	31 Dec 2022	31 Dec 2021
Equity instruments	-	893
Debt securities	-	1,327
Properties	-	332
Total	**-**	**2,552**

Significant actuarial assumptions (expressed as weighted average)	2022	2021
Discount rate	-	1,70%

Other information
The Group estimates that approximately USD 2 thousands will be paid in 2023 for the benefit-paid plans reported as defined-contribution plans.

Note 19 – Other Provisions

	31 Dec 2022	31 Dec 2021
Provisions for abandonment costs		
Opening balance	29,972	25,949
Present value adjustment	1,653	1,557
Remeasurement of provision	-2,647	2,466
Carrying amount at the end of the period	**28,978**	**29,972**
Other provisions		
Provision for technical reserves, PIC Ltd (Captive)	-	250
Total	**28,978**	**30,222**

The abandonment provision relates to expenses to shut down an oil field at the end of its life. The provision refers to the Group's oilfield Baobab, The Ivory Coast. The end for the oilfield is expected to occur 2038.

Note 20 – Other Liabilities

	31 Dec 2022	31 Dec 2021
Licence liabilities	2,687	1,224
Employee taxes and tax liabilities	854	538
Total	**3,541**	**1,762**

Note 21 – Accruals and Deferred Income

	31 Dec 2022	31 Dec 2021
Accrued personnel expenses	3,380	3,802
Accrued project expenses	18,958	15,920
Financial items	-	7
Other items	269	474
Total	**22,607**	**20,203**

Note 22 – Financial Risks and Policies

The Group is exposed to a number of financial risks, the most important of which are described below. It is Group management's responsibility to manage risks according to the policy adopted by the Board. The Group has a centralised finance function which has the primary task of identifying, limiting and managing financial risks in a cost-efficient manner. The main objective of centralisation is to ensure good internal cost control as well as administrative and financial economies of scale. The Group actively pursues liquidity planning, to continuously evaluate the need for liquidity.

Currency risk

The Group's business is international and, as such, is exposed to currency risk in terms of exchange rate fluctuation. The foreign exchange exposure comprises transaction as well as translation risks.

- The transaction risk, i.e., the risk that the commercial cash flows (revenues, expenses, investments, etc.) will be negatively affected by exchange rate fluctuations.
- Translation risk, i.e., the risk that earnings in the Group will be negatively affected by the translation of foreign entities' assets and liabilities into the Group's reporting currency. It is the opinion of the Board that the present strong financial position justifies the policy of not hedging foreign exchange rates.

Transaction exposure

The Group's transaction exposure versus SEK was divided into the following currencies:

USD	2022	2021
Sales	200,021	141,213
Operating expenses	-115,947	-65,066
Net	84,074	76,147
Of which hedged	-	-

Translation exposure

Foreign net assets, as a percentage of total equity, divided into the following currencies:

	2022		2021	
Currency	Amount	%	Amount	%
USD	262,502	79,3%	308,293	82,5%

On 31 December, the Group did not have any hedging of net investments in foreign Group companies. The ambition is to minimize the translation risk wherever possible and economically viable.

Note 22 – Cont.

Interest rate risk
Interest rate risk is the risk that changes in market interest rates will have a negative effect on the Group's earnings. All interest-bearing assets and liabilities have a fixed-interest term of less than 12 months. The current assessment is that the Group's present financial position justifies the absence of longer fixed-interest terms.

Oil price risk
The Group's revenues, and hence its earnings, are highly dependent on oil prices. Historically, oil prices have been volatile – a trend which is expected to continue – and affected by several factors beyond the Group's control.
The Group's policy is to harness the positive effects of fluctuating oil prices and minimize the negative effects as far as possible. Consequently, the ability to use put options as a hedging instrument is continuously evaluated. To eliminate some of the risk in a fluctuating oil price, the Group is normally hedging its forward-looking production in the coming 12-18 months period to reduce the cash flow impact of a major drop in the Brent oil price. The Group does not apply hedge accounting.

Credit and counterparty risk
Credit and counterparty risk is the risk that a counterparty in a financial transaction will be unable to discharge its obligations, which in turn will have a negative effect on the Group's earnings. The Group's commercial credit risk is limited, as there is no significant customer concentration, and the counterparties are reputable and transparent multi-national companies. Financial credit risk is mitigated by only accepting counterparties with a high credit rating and through diversification. The Group did not have any past due trade receivables on 31 December. No provision for impairment has been made, as the carrying amount is estimated to be the same as the fair value.

Funding and liquidity risk
Funding and liquidity risk is the risk that costs will rise and funding options will be insufficient when loans are renewed or applied for, and the risk that payment obligations will not be met due to insufficient liquidity. The Group is working continuously with financing and liquidity as the business often has major investments and in addition has an oil price risk, see above. Financial liabilities and trade payables are short-term and primarily due within 30 days, and their nominal value is assumed to be a reasonable fair value estimation.

Insurance
Insurance is considered to be a premature financing of future risks. The Group has an insurance coverage that is in line with industry practice and mainly covers production facilities and liability exposure in connection with exploration and exploitation of oil and gas. The Group's insurance coverage and its strong financial position mean that it is considered able to manage minor risks as well as risks of major disasters.

Capital management
Capital is defined as total equity. The equity requirement for an oil company is substantial and is related to the large volume of investment and the risk inherent in the different exploration projects carried out during the year. It is the Board's judgement that the equity of the Group is sufficient for the scope of its activities.

There were no changes to the Group's capital management during the year. Neither the Parent Company nor its subsidiaries are subject to external capital requirements.

Sensitivity analysis
In order to manage interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations on its results. In the long term, however, permanent changes in oil prices, interest rates and exchange rate will have an impact on the consolidated results. Based on volumes of crude oil produced (2,0 million barrels in 2022), it is estimated that a decrease of USD 10 in the price of oil would have reduced the Group's profit before tax by USD -14,7 million. It is also estimated that a general increase of 1 percent in the interest rate would have increased the Group's profit before tax by USD 0,2 million.

Measurement of fair value
The following description is a summary of the main methods and assumptions used in determining the fair value of the financial instruments in the tables below.

Note 22 – Cont.

Trade receivables, other receivables, cash and cash equivalents, trade payables and other payables

The nominal value, less any estimated credits to trade receivables and payables, is deemed to reflect the fair value.

Financial investments

Financial investments are essentially very low-yielding, very short-term and are reported to fair value through the profit and loss statement.

Interest-bearing liabilities

The Group's interest-bearing liabilities serve the purpose of funding oil projects. They are short-term in nature and the interest rate is determined based on market rates plus risk premium. Consequently, the fair value is estimated as corresponding to the carrying amount

Carrying amounts of financial assets and liabilities by category 2022	Valued at amortised cost	Fair value through profit/ loss statement	Other liabilities	Total carrying amount	Total fair value
Financial assets carried at fair value:	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Financial assets not carried at fair value:					
Trade receivables	-	-	-	-	-
Other receivables	287	-	-	287	287
Cash and cash equivalents	39,098	-	-	39,098	39,098
Other	29	-	-	29	29
Total	**39,414**	**-**	**-**	**39,414**	**39,414**
Financial liabilities not recognized at fair value					
Trade payables	-	-	878	878	878
Other liabilities	-	-	3,548	3,548	3,548
Total	**-**	**-**	**4,426**	**4,426**	**4,426**

Carrying amounts of financial assets and liabilities by category 2021	Valued at amortised cost	Fair value through profit/ loss statement	Other liabilities	Total carrying amount	Total fair value
Financial assets carried at fair value:	-	20,438	-	20,438	20,438
Total	-	**20,438**	-	**20,438**	**20,438**
Financial assets not carried at fair value:					
Trade receivables	10,795	-	-	10,795	10,795
Other receivables	1,063	-	-	1,063	1,063
Cash and cash equivalents	22,701	-	-	22,701	22,701
Other	31	-	-	31	31
Total	**34,590**	**-**	**-**	**34,590**	**34,590**
Financial liabilities not recognized at fair value					
Trade payables	-	-	1,262	1,262	1,262
Other liabilities	-	-	11,135	11,135	11,135
Total	**-**	**-**	12,397	12,397	12,397

The put options are classified at fair value through profit and loss because they are followed up on the basis of fair value and measured regularly. The fair value of the put options are based on quotations from the bank. The calculation is based on Black & Scholes model for an estimated option price. Similar contracts are traded in an active market, whereby the fair value, level 2 is considered to be an appropriate measurement level, according to the fair value levels applied in accordance with IFRS accounting principles.

Note 23 – Leases

Lessee

Tangible assets are classified as owned and leased assets. The right-of-use assets are mainly due to the contracts regarding the Floating, Production, Storage and Off-load vessel (FPSO) in the Ivory Coast. See also Note 12, Tangible Fixed Assets. Existing lease agreements do not include any covenants or other limitations except pledge in the leased asset.

Right-of-use assets	Oil and gas assets	Cars	Total
Opening balance as of 1 January 2021	**28,345**	**18**	**28,363**
Depreciation for the period	-1,575	-17	**-1,592**
Exchange rate differences	-	-1	**-1**
Closing balance as of 31 December 2021	**26,770**	**-**	**26,770**
Depreciation for the period	-1,575	-	**-1,575**
Exchange rate differences	-	-	**-**
Closing balance as of 31 December 2022	**25,195**	**-**	**25,195**

Lease liabilities	2022	2021
Short-term	1,114	1,077
Long-term	24,660	25,701
Total	**25,774**	**26,778**

Lease liabilities	Oil and gas assets and equipment	Cars	Total
Opening balance as of 1 January 2021	**28,487**	**13**	**28,500**
Lease payment for the period	-4,148	-12	**-4,160**
Interest for the period	2,439	-	**2,439**
Exchange rate differences	-	-1	**-1**
Closing balance as of 31 December 2021	**26,778**	**-**	**26,778**
Lease payment for the period	-3,391	-	**-3,391**
Interest for the period	2,314	-	**2,314**
Closing balance as of 31 December 2022	**25,701**	**-**	**25,701**

Lease expenses	2022	2021
Depreciation of Right-of-use assets	-1,575	-1,592
Interest expense on lease liabilities	-2,314	-2,439
Lease expenses for short-term and low-valued leases	-3	-4
Total	**-3,892**	**-4,035**

Note 23 – Cont.

Amounts reported in the Statement of Cash Flows	2022	2021
Total effect of cash disbursements from lease contracts	3,394	4,169
Total	**3,394**	**4,169**

Cash disbursements includes lease agreements such as lease liability, contingent rents, low value and short-term leases.

Additional information

Office rent

The Group's office leases consist of short term shared office space agreements.

Oil and gas assets

The Group leases the Floating, Production, Storage and Offload vessel (FPSO) in the Ivory Coast. The lease contract expires at the end of 2024, with an extension option.

Cars

The Group has contracts related to company cars with a right to purchase the object at the date of expiring.

Note 24 – Investment Obligation

At the reporting date, contracted investments not yet recognized in the financial statements were as follows:	31 Dec 2022	31 Dec 2021
Oil and gas assets	42,578	31,096
Total	**42,578**	**31,096**

Contracted investments relate to the Group's share of tangible investments in the licenses where an investment decision has been made or a budget has been approved in the license.

Note 25 – Pledged Assets and Contingencies

	Group	
Pledged Assets	**31 Dec 2022**	**31 Dec 2021**
Shares in subsidiaries	202,004	233,925
Bank account Standard Bank Isle of Man Ltd	1,415	1,468
Total	**203,419**	**235,393**
Contingencies	-	-

	Parent company	
Pledged assets and contingencies Parent company SEK thousand	**31 Dec 2022**	**31 Dec 2021**
Shares in subsidiaries	1,597,099	1,597,099

Note 26 – Related Parties

Related party transactions

The Group is under the control of Moroncha Holdings Ltd. (Cyprus), which is a company owned by Sheikh Mohammed H. Al-Amoudi. Other companies controlled/owned by Sheikh Mohammed H. Al-Amoudi are considered related parties.

Transactions with related parties are priced on commercial terms.

In addition to the related party relationships described for the Group, the Parent Company has control of the directly and indirectly owned subsidiaries as listed in Note 118.

Remuneration of key management personnel.

The total remuneration of the CEO and the Board is shown in Note 6.

Group	Purchase of services from related parties	Due from related parties at 31 Dec	Owed to related parties at 31 Dec	Group Contribution to (-) / from (+)
2022				
Petroswede Europe AB	-	-	78	-
Hackholmssund Konferens AB	63	-	-	-
2021				
Petroswede AB	-	4,632	-	-928
Petroswede Europe AB	-	-	8,309	-
Moroncha Holdings Ltd	-	1,030	-	-
Hackholmssund Konferens AB	59	-	-	-

Note 27 – Specification of Shares

See Note 118 for the Parent Company.

Note 28 – Critical Accounting Estimates

In the Group, the accounting relies on some critical estimates, described below:

Impairment testing

In calculating the recoverable amount from oil fields when testing fixed assets for impairment, or reversal of impairment, several estimates and assumptions about future conditions have been made. These estimates and assumptions mainly concern the life of the fields, commercial reserves (see note 12), the choice of discount rate and the future oil price. Commercial reserves are estimated regularly in the Company's operations. The reserves are also validated by a third party once a year. The price of oil is defined based on an estimated level of consensus among market analysts. In connection with preparing these financial statements the following price scenario has been used: 2022 and forward 70 USD/barrel.

Impairment testing is based on a calculation of the value in use. The discount rate applied is 10% (10%). The projected cash flows are estimated on an investment-by-investment basis. The cash flows are calculated for the life of each field. Because of the long project cycles in the industry, the life may extend to 2040 in some cases. Major changes in the underlying conditions for these assumptions and change in estimates may have a material effect on the value of the assets.

Effect of changes in the basis of calculation

Changes in the basis of the calculations regarding costs and commercial reserves that affect the unit-of-production calculations for depreciation and abandonment will have a direct effect on the Group's results. The balance sheet may also be affected, for example in case of impairment testing.

Note 29 – Additional Cash Flow Analysis Disclosures

	2022	2021
Adjustments for non-cash items		
Depreciation and impairment	51,925	58,139
Oil tax[1]	-18,724	-6,409
Unrealized value put option	2,438	4,712
Sale of subsidiary	1,043	-
Unrealized exchange differences	-	-1,882
Release of provisions	-10,935	-
Group contribution	-	980
Provisions and other non-cash items	997	-1,775
Total	**26,744**	**53,765**

Cash and cash equivalents		
The following components are included in cash and cash equivalents:		
Cash and bank balances	39,098	22,701
Total	**39,098**	**22,701**

1) Oil tax is a general tax that is treated in the cash flow as an operational settlement.

Note 30 – Non-current Interest-Bearing Liabilities

The following is a presentation of the Company's contractual terms regarding interest-bearing liabilities. For more information about the Company's exposure to interest rate risk and foreign currency risk, please refer to Note 22.

	2022	2021
Long-term interest-bearing liabilities		
Long-term lease liabilities	25,774	25,701
Total	**25,774**	**25,701**

	2022	2021
Reserves-Based Lending Facility		
Opening balance	-	32,000
Draw downs	18,000	-
Amortisation	-18,000	-32,000
Closing balance	**-**	**-**

A voluntary repayment of the loan was made during 2021 as well as 2022.

Terms and repayment periods

The RBL facility is used to finance further investments and developments of the producing assets in the Ivory Coast. The RBL facility had an initial total commitment of USD 120 million which is split between two international banks. The total commitment is reduced linear over the tenor of the facility. The available borrowing base amount is determined by calculating the cash flows from producing oil fields and other economic assumptions agreed with the bank at any given calculation date and is valid for one year from that date. The facility is secured by share pledges of certain Group companies and pledges of certain bank accounts (see Note 25).

The RBL is a five-year facility that expires in June 2023. Svenska has initiated a process to refinance the RBL for an additional six years. The RBL facility is based on a floating interest rate (LIBOR) plus a margin of 6.0%.

The long-term lease liabilities related to the implementation of IFRS 16, see Note 1 for more information.

Terms and repayment periods, see table below.

				2022		2021	
	Currency	Nom. int. rate	Mature date	Nominal amount	Carrying amount	Nominal amount	Carrying amount
RBL	USD	8,36%	2023	-	-	-	-
Lease liabilities	USD	8,50%	2038	25,774	25,774	25,701	25,701

Maturity of financial liabilities - undiscounted cash flows

	Currency	Nominal amount	0-1 year	1-5 years	> 5 years
RBL	USD	-	-	-	-
Lease liabilities	USD	25,774	1,114	5,570	19,090

Note 31 – Events after the end of the financial year

Petroswede Europe AB

On the 1st February 2023, a bankruptcy filing was handed in at the Stockholm District Court relating to unpaid loans in Petroswede Europe AB, which is the company that owns Svenska's parent company Petroswede AB. On the 6th March 2023 the court ruled that the company is bankrupt and an administrator was appointed in accordance with the Swedish insolvency law.

Income Statement

1 January - 31 December

Amounts in SEK thousand	Note	2022	2021
Net sales	101	71,894	50,802
Other operating income	102	3,192	876
Total operating income		**75,086**	**51,678**
Operating expenses			
Other external costs	105, 115	-17,610	-19,104
Employee benefits expenses	104	-108,949	-74,355
Depreciation and write-downs	108	-152	-152
Other operating expenses	103	-1,386	-11,019
Total operating expenses		**-128,097**	**-104,630**
Operating profit/loss		**-53,011**	**-52,952**
Profit/loss from financial investments			
Profit/loss from participations group companies	118	1,014,348	328,799
Other interest and similar income	106	127,905	103,371
Other interest and similar expense	106	-14,330	-16,558
Profit/loss after financial items		**1,074,912**	**362,660**
Appropriations			
Group contribution, received		142,200	19,652
Group contribution, paid		-7,377	-13,468
Profit/loss before tax		**1,209,735**	**368,844**
Tax	107	-32,874	-9,707
Profit/loss for the year		**1,176,861**	**359,137**

Profit for the year is consistent with comprehensive income for the year.

Balance Sheet

Amounts in SEK thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Fixed assets			
Tangible fixed assets	109	8,303	8,455
Total fixed assets		**8,303**	**8,455**
Financial assets			
Investments in Group companies	118	1,597,099	1,617,842
Receivables from Group companies	110	212,487	442,253
Financial investments	111	306	306
Deferred tax asset		-	32,899
Other non-current receivables		365	365
Total financial assets		**1,810,257**	**2,093,665**
Total non-current assets		**1,818,560**	**2,102,120**
Current assets			
Receivables from Group companies		175,516	112,582
Prepayments and accrued income	112	1,419	346
Other receivables		544	10,073
Tax receivables		1,062	683
Cash and cash equivalents		393,220	129,810
Total current assets		**571,761**	**253,494**
TOTAL ASSETS		**2,390,321**	**2,355,614**

Equity and Liabilities

Amounts in SEK thousand	Note	31 Dec 2022	31 Dec 2021
Restricted equity			
Share capital		50,000	50,000
Reserves		10,011	10,011
Total restricted equity		**60,011**	**60,011**
Non-restricted equity			
Retained earnings		1,030,500	1,752,934
Profit/loss for the year		1,176,861	359,137
Total unrestricted equity		**2,207,361**	**2,112,071**
Total equity	120	**2,267,372**	**2,172,082**
Accounts payable		2,625	1,055
Other liabilities	113	7,253	5,796
Liabilities to Group companies		73,522	131,186
Accruals and deferred income	114	39,549	45,495
Total current liabilities		**122,949**	**183,532**
TOTAL EQUITY AND LIABILITIES		**2,390,321**	**2,355,614**

Cash Flow Statement

1 January - 31 December

Amounts in SEK thousand	Note	2022	2021
Indirect method			
Operating activities			
Profit/loss after financial items[1]		1,074,912	362,660
Adjustment for non-cash items	119	63,772	-993
Total		**1,138,684**	**361,667**
Taxes paid		**-354**	**-1,560**
Cash flow from operating activities before changes in working capital		**1,138,330**	**360,107**
Cash flow from changes in working capital			
Decrease (+) / increase (-) in operating receivables		-54,478	-29,946
Decrease (+) / increase (-) in operating liabilities		-60,583	58,538
Cash flow from operating activities		**-115,061**	**28,592**
Investing activities			
Disposals of assets/operations, net effect		20,743	1,109
Change in loans to Group companies, net change		229,766	100,099
Purchase/transfer of loans from Group companies		-	-527,020
Cash flow from investing activities		**250,509**	**-425,812**
Financing activities			
Dividend to owner		-1,010,368	-
Cash flow from financing activities		**-1,010,368**	**-**
Cash flow for the year		**-263,410**	**-37,113**
Cash and cash equivalents at beginning of year		129,810	166,923
Cash and cash equivalents at end of year		**393,220**	**129,810**

1) The amount includes interest received of SEK 40,248 (33,944) thousand, and interest paid of SEK 217 (698) thousand. Additional information is available in Note 119 for the Group Cash Flow Statement.

Note 100 – Accounting Policies, Parent Company

The Parent Company's annual financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board's statements for listed companies are also applied. RFR 2 requires the Parent Company, as a legal entity, to prepare its annual financial statements in compliance with all the IFRIC interpretations adopted by the EU, to the extent possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and taking into account the relationship between tax expense/income and accounting profit. The recommendation states which exceptions from and additions to IFRS shall be observed. The accounting policies for the Group, described in Note 1, have been applied consistently in the Parent Company's financial statements with exceptions described below.

CLASSIFICATION AND PRESENTATION

The Parent Company prepares an income statement and a statement of comprehensive income, while the Group combines these two reports into a statement of comprehensive income. In addition, the Parent Company uses the titles balance sheet entries and cash flow statement for its reports, while the Group uses the terms statement of financial position and statement of cash flows. The presentation of the income statement and balance sheet for the Parent Company is in accordance with the Swedish Annual Accounts Act, while the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The main differences between the consolidated financial statements and the Parent Company's income statement and balance sheet are in the accounting for finance income and costs, and non-current assets and equity.

PENSIONS

The Group applies IAS 19, employee benefits, while the Parent Company applies the simplified RFR 2. Pension obligations in the parent company are placed in a separate pension fund managed by Folksam. The fair value of the assets is greater than the present value of the obligation and in consequence to RFR 2, no assets are reported. The pension plan is closed for new entrants. There are also defined-contribution plans in the Parent Company.

For more information, please see Note 18.

LEASING

The Parent company applies the exemption in RFR 2 regarding IFRS 16 Leasing and reports all leasing contracts as a cost for the period in which the rent payment is made.

GROUP CONTRIBUTIONS

Svenska Petroleum Exploration AB applies the alternative rule in RFR 2 and recognises both received and paid Group contributions as an appropriation.

SUBSIDIARIES

Investments in subsidiaries are recognized in the Parent Company using the cost model. This means that transaction costs are included in the carrying amount for holdings in subsidiaries. In the consolidated accounts, transaction costs are recognized directly in the income statement when they arise.

Contingent consideration is measured according to the probability that the purchase price will be paid. Any changes to the provision or receivable will increase or reduce the cost. In the consolidated accounts, contingent consideration is measured at fair value, with value changes recognized in profit or loss.

WRITE-DOWNS - SHARES IN GROUP COMPANIES

At each balance sheet date, it is assessed whether there is any indication that an asset's value is lower than its carrying amount. If such an indication exists, the asset's recoverable amount is calculated.

The recoverable amount is the higher of fair value less costs to sell and value in use. When calculating the value in use, the present value is calculated from the future cash flows that the asset is expected to give rise to in the current operations and when it is sold or scrapped. The discount rate used is before tax and reflects market assessments of the time value of money and the risks associated with the asset. An earlier write-down is only reversed if the reasons that were the basis for calculating the recoverable amount at the most recent write-down have changed.

GROUP INFORMATION

Svenska is a wholly owned subsidiary to Petroswede AB, which is ultimately held by Moroncha Holdings Ltd, Cyprus, a company owned by Sheikh Mohammed H. Al-Amoudi.

Note 101 – Allocation of Revenue

Net sales	2022	2021
Management/administrative services within Group	71,894	50,802
Total	**71,894**	**50,802**

Note 102 – Other Operating Income

	2022	2021
Release of provision for investment obligation	-	687
Revenue from transfer of defined benefit pension plan	3,023	-
Other income	169	189
Total	**3,192**	**876**

Note 103 – Other Operating Expenses

	2022	2021
Exchange losses	-1,386	-11,019
Total	**-1,386**	**-11,019**

Note 104 – Employee Benefit Expenses

	2022		2021	
Average number of employees	**Employees**	**Whereof male**	**Employees**	**Whereof male**
Sweden	2	2	2	2
United Kingdom	4	2	4	2
Total	**6**	**4**	**6**	**4**

	2022	2021
Executive management		
Board members	3	3
Executive management	4	4
Gender distribution (female representation in %)		
Board members	0%	0%
Executive management	50%	50%

Note 104 – Cont.

	2022		2021	
Personnel costs	**Senior executives**	**Other employees**	**Senior executives**	**Other employees**
Salaries	80,917	2,928	52,716	2,562
- of which bonuses to senior executives	*29,858*		*15,341*	
Pension costs	4,764	284	4,876	1,697
Social security contributions	15,213	407	9,815	392
Total	**100,894**	**3,619**	**67,407**	**4,651**

The CEO, Mr. Fredrik Öhrn, received a fixed salary of SEK 7,172 (6,390) thousand, a bonus of SEK 3,586 (3,340) thousand and other benefits of SEK 118 (166) thousand. His pension costs for the year amounted to SEK 2,962 (3,025) thousand. Pension premiums amount to 30 per cent of pensionable salary with regard to retirement pension and survivors' pension. Pensionable salary means the basic salary plus an average of the variable pay over the last three years. Other senior executives (not Board members) have a similar type of pension agreement, but at a lower percentage. The CEO has a formally agreed period of notice from both party's sides.

Fees paid to Board members	**2022**	**2021**
Jason Milazzo	500	500
Richard Öhman	200	200
Petter Holland	200	200
Total	**900**	**900**

Note 105 – Auditors' Fees and other Remuneration

	2022	**2021**
KPMG		
Annual audit	439	468
Other services	-	77
Total	**439**	**545**

Note 106 – Finance Income and Costs

	2022	2021
Interest income and similar items		
Exchange gains, Group	83,294	69,427
Exchange gains, other	4,364	-
Interest income, Group	31,419	32,224
Other interest income	8,828	1,720
Total	**127,905**	**103,371**
Interest expense and similar items		
Exchange losses, other	-14,113	-15,860
Interest expense, Group	-50	-
Other interest expense	-168	-698
Total	**-14,330**	**-16,558**
Finance net	**113,575**	**86,813**

Note 107 – Taxes

	2022	2021
Tax for the period	-455	-464
Adjustment of tax in respect of prior years	480	-334
Current tax	**25**	**-798**
Deferred tax from temporary differences	-32,899	-8,909
Deferred tax	**-32,899**	**-8,909**
Total recognized tax	**-32,874**	**-9,707**

Reconciliation of effective tax		
Profit/loss before tax	**1,209,735**	**368,844**
Tax at Swedish-enacted tax rate 20,6%	-249,205	-75,982
Non-deductible expenses	-1,120	-1,008
Non-taxable income	208,956	75,901
Write-down shares in subsidiaries	-	-4,120
Foreign taxes, United Kingdom	-455	-703
Change in loss carry forward that has not previously been reported as an asset	-	-3,908
Taxable deductible cost not recognised in Income statement	224	197
Given net interest to group company	8,426	10
Tax previous years	480	-95
Recognized tax	**-32,874**	**-9,707**
Effective tax	**2,7%**	**2,6%**

Note 108 – Depreciation and Write-Downs

Depreciation	2022	2021
Fixed assets	-152	-152
Total	**-152**	**-152**

Note 109 – Tangible Fixed Assets

	Tenant	Equipment	Total
Opening balance, 1 Jan 2021	**8,249**	**457**	**8,706**
Closing accumulated cost, 31 Dec 2021	**8,249**	**457**	**8,706**
Closing accumulated cost, 31 Dec 2022	**8,249**	**457**	**8,706**
Opening depreciation, 1 Jan 2021	**-**	**-99**	**-99**
Depreciation for the year	-	-152	-152
Closing accumulated depreciation, 31 Dec 2021	**-**	**-251**	**-251**
Depreciation for the year	-	-152	-152
Closing accumulated depreciation, 31 Dec 2022	**-**	**-403**	**-403**
Carrying amount, 31 Dec 2021	**8,249**	**206**	**8,455**
Carrying amount, 31 Dec 2022	**8,249**	**54**	**8,303**

Note 110 – Receivables from Group Companies

Loan SPE CI AB	31 Dec 2022	31 Dec 2021
Opening balance	442,253	542,617
Draw downs	55,924	122,411
Amortisations	-354,781	-262,483
Paid interest	-1,721	-5,618
Exchange rate effects	70,812	45,326
Closing balance	**212,487**	**442,253**

Note 111 – Other Securities Held as Non-Current Assets

	31 Dec 2022	31 Dec 2021
Opening costs	306	306
Closing accumulated cost	**306**	**306**

Note 112 – Prepayments and Accrued Income

	31 Dec 2022	31 Dec 2021
Prepaid rent	44	-
Prepaid insurance costs	352	227
Other prepaid costs	1,023	119
Total	**1,419**	**346**

Note 113 – Other Liabilities

	31 Dec 2022	31 Dec 2021
Personnel expenses	4,443	3,739
VAT	1,815	1,195
Other liabilities	995	862
Total	**7,253**	**5,796**

Note 114 – Accruals and Deferred Income

	31 Dec 2022	31 Dec 2021
Accrued personnel expenses	35,282	33,194
Deferred financial income, Group loan	3,504	10,685
Other	763	1,616
Total	**39,549**	**45,495**

Note 115 – Leasing

Leases where the Company is the lessee

	2022	2021
Minimum lease payments	2,209	1,442
Contingent rents	1,032	673
Total	**3,241**	**2,115**
Agreed future minimum lease payments under non-cancellable lease payments fall due as follows:		
Within one year	244	212
Between one and five years	-	-
Total	**244**	**212**

Additional information

Cars

Leasing contracts are related to company cars.

Note 116 – Pledged Assets and Contingencies

For information regarding the pledged assets and contingent liabilities, see Note 25 for the Group.

Note 117 – Related Parties Transactions

For information regarding related party relationships, see Note 26 for the Group. Transactions within the Group mainly relate to sale of management/administrative services. The parent company has entered into a loan agreement with SPE CI AB at market terms, see Note 110.

Note 118 – Investments in Group Companies

Specification of change in shares in subsidiaries	31 Dec 2022	31 Dec 2021
Opening balance	1,617,842	1,617,842
Sale	-20,743	-
Shareholder contributions	-	20,000
Write-downs	-	-20,000
Closing carrying amount	**1,597,099**	**1,617,842**

The sale of the subsidiary Oljeprospektering AB, which was agreed in the end of 2021, was completed in the end of the second quarter of 2022. The Group's captive insurance company Petroswede Insurance Company DAC was disposed through a dividend to the parent company Petroswede AB.

The Parent Company's holdings of shares in Group companies, 31 December 2022
Indirect ownership is marked in italics. All holdings are fully owned.

Directly and indirectly owned	Reg. no.	Registered office	Number of shares	Equity (%)	Carrying amount
SPE Nigeria AB	556594-2512	Stockholm	1,000	100	0
Svenska Nigeria Exploration & Production Ltd	618208	Nigeria			
Svenska Nigeria (Deepwater 1) Limited	639349	Nigeria			
SPE CI Holding AB	556688-3541	Stockholm	1,000	100	1,597,099
SPE CI AB	556665-4884	Stockholm			
Total					**1,597,099**

Note 119 – Additional Cash Flow Analysis Disclosures

	2022	2021
Adjustments for non-cash items		
Depreciation and write-downs	152	152
Dividend	52,282	-
Exchange rate adjustments	-	-
Interest	-	-
Other	-9,405	-36
Disposals of assets/operations, net effect	20,743	-1,109
Total	**63,772**	**-993**

	2022	2021
Cash and cash equivalents		
The following components are included in cash and cash equivalents		
Cash and bank balances	393,220	129,810
Total	**393,220**	**129,810**

Note 120 – Statement of Changes in Equity

	Share capital	Legal reserve	Retained earnings	Total equity
Opening equity, 1 Jan 2021	**50,000**	**10,011**	**1,752,970**	**1,812,981**
Profit for the year	-	-	359,137	359,137
Translation difference foreign branch	-	-	-36	-36
Closing equity, 31 Dec 2021	**50,000**	**10,011**	**2,112,071**	**2,172,082**
Profit for the year	-	-	1,176,861	1,176,861
Dividend to owner	-	-	-1,081,571	-1,081,571
Closing equity, 31 Dec 2022	**50,000**	**10,011**	**2,207,361**	**2,267,372**

Share capital of 500,000 shares with a value of 100 SEK/per share.
Profit for the year is consistent with comprehensive income for the year.

Note 121 – Events After the End of the Financial Year

Petroswede Europe AB

On the 1st February 2023, a bankruptcy filing was handed in at the Stockholm District Court relating to unpaid loans in Petroswede Europe AB, which is the company that owns Svenska's parent company Petroswede AB. On the 6th March 2023 the court ruled that the company is bankrupt and an administrator was appointed in accordance with the Swedish insolvency law.

Signed by the Board of Directors

Stockholm, 23 May 2023

Jason T. Milazzo
Chairman

Fredrik Öhrn
President

Richard Öhman
Member of the Board

Petter Holland
Member of the Board

Our audit report was submitted on 23 May 2023
KPMG AB

Håkan Olsson Reising
Authorised Public Accountant