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 2021-01-01 - 2021-12-31

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Board of Director's Report for 2021

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. During the year Svenska has either sold or are in the process of selling its activities in Guinea-Bissau, Latvia and Ireland. 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. Business is conducted through subsidiaries, directly or indirectly with staff in Stockholm and London. Svenska has four wholly owned subsidiaries in Sweden and Ireland. Some of these subsidiaries have their own subsidiaries, foreign branch offices or representative offices.

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

During the year, Svenska's share of oil production from the Baobab Field in the Ivory Coast decreased compared to 2020. Svenska's entitlement share of average production in the field was 5,899 (6,355) barrels/day. The decline of –7,2% is mainly explained by a scheduled maintenance shutdown for 30 days and periodically reduced production in certain wells during planned cleaning and inspection, so called pigging, of the sub-sea flow lines in the field. Operationally it has been a very successful year with excellent uptime on the Floating Production Storage and Off-load vessel (FPSO) and only very rare events of unplanned shutdown for a few hours. 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 in-fill drilling in the Baobab reservoir (Phase V) and to tie back the satellite discovery Kossipo have been focus areas for the J/V. Svenska is actively working together 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 President finally signed off the Petroleum Industry Bill (PIB) after being passed by the National Assembly. The PIB is designed to completely overhaul and transform the Nigerian oil and gas industry. One implication of the PIB is that the project economics of the OML 145 PSC may be adversely affected. The J/V is currently evaluating the impact of the new law. In the meantime, very little activities are taking place in the licence.

Svenska has delivered on the decision to concentrate the business and divest other licences and business development projects. In May 2021 Svenska finalized the sale of the activity in Guinea-Bissau, consisting of the operated Blocks 2, 4A and 5A, by signing a share purchase agreement with Petronor AS. In December 2021 Svenska signed a share purchase agreement with an undisclosed buyer for the sale of the subsidiary Oljeprospektering AB, which includes the licence E-24 in Latvia. The completion of the transaction is contingent on certain local consents which are expected during the first half of 2022.

The 2021 average Brent crude oil price increased to USD 71.49 per barrel, up from USD 41.56 in 2020. Prices began the year at USD 55.88 and ended the year at USD 77.78. In 2021, the US dollar strengthened against several currencies, including the Swedish Krona, and averaged USD/SEK 8.57 in 2021. The US Dollar became 10 per cent stronger against the Swedish Krona progressively throughout 2021 with and end-of year rate of 9.04.

OPERATING INCOME AND COSTS

Consolidated total revenue during the year were USD 141,244 (105,068) thousand. The oil sales increased by more than 38% thanks to a sharp improvement in the Brent oil price, despite a lower production volume. Svenska continued to hedge 100% of its oil production in 2021, targeting a forward-looking 12 months rolling cover. The strategy remains to optimize the premium cost by covering the risk in a significant price downside scenario. Higher oil prices during the year provided opportunities to increase the hedge price floor. Oil hedge revenue was USD 0 (17,099) thousand and the premium expense amounted to USD 5,501 (9,277) thousand. The revaluation effect of the hedge program for 2022 had a positive impact of USD 789 (1,601) thousand, where the positive variance is explained by a small market-to-market valuation gain because of volatile prices around year-end.

Production was 1,982 thousand barrels of crude oil in 2021, compared to 2,326 thousand barrels the previous year. The average production was 5,899 (6,355) barrels/day. As already commented, production was lower mainly due to planned maintenance activities. It should also be noted that the Baobab Field is producing both oil and associated gas. The average production was 6,353 (6,877) boe/day. Operational and exploration costs totaled USD 31,225 (43,609) thousand in 2020. The total figure is broken down into the following cost items: operating expenses USD 22,712 (37,866) thousand, royalty costs USD 2,849 (1,931) thousand and oil tax operational (the host government's tax share in production-sharing contracts) of USD 5,664 (3,812) thousand. Consolidated depreciation and impairment for 2021 amounted to USD 58,139 (269,052) thousand. Employee payroll costs for 2020 were USD 8,678 (16,051) thousand. The average number of employees was 6 (25) in 2021.

Net financial items for 2021 were USD –6,708 (-16,560) thousand. Tax on profit or loss for the Group was USD –5,514 (32,161) thousand mainly driven by increased revenue. Total profit for the year was USD 23,006 (-254,014) thousand.

INVESTMENTS AND FINANCIAL POSITION

Intangible and tangible fixed assets at year-end were USD 364,774 (404,769) thousand. Investments in intangible assets were USD 627 (1,339) thousand. Investments in tangible assets were USD 16,234 (12,504) thousand, including an adjustment of estimated decommissioning costs for Baobab amounting to USD 2,466 (0) thousand.

Cash flow from operations before changes in working capital was USD 82,158 (38,060) thousand. Cash and cash equivalents were USD 22,701 (30,605) thousand as of 31 December 2021. At year-end, Svenska had USD 0 (32,000) 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 five 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 common 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 2021 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 six (eleven) 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 has so far been higher Brent prices, which increase the Company's earnings, at least in short term. In a medium to longer term, the risk of higher inflation on a global scale, is likely to lead to higher prices on essential supplies to the business that puts a pressure on the business margin.

FUTURE EXPECTATIONS

How the oil price will develop in the coming year is always very uncertain, especially in the current situation with a war in Europe. The economic recovery post Covid-19 and the systematic under-investments in the global oil and gas industry will shift the demand-supply balance to a deficit which will increase prices. The war is further restricting supply that supports higher prices, but the implications of the war is still too early to assess. Higher prices whilst keeping a stable level of production will improve Svenska's cash flow generation. Svenska has over recent years funded its investments mainly through operating cash flow and will continue to do so. The balance sheet will remain strong with excellent debt-to-capital ratios compared to peer companies.

PROPOSED APPROPRIATION OF PROFITS

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

Retained profits	1,752,933,977
Net profit for the year	359,137,290
Total	**2,112,071,023**

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

Dividend to shareholders	606,850,435
Brought forward	1,505,220,588
Total	**2,112,071,023**

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	2021	2020
Revenue from oil & gas	2	141,213	102,519
Other revenue	2, 3	31	2,549
Total	2	**141,244**	**105,068**
Operational and exploration costs	5	-31,225	-39,449
Oil price derivatives		-4,712	-7,676
Other external costs	7, 23	-3,262	-4,259
Employee benefits expenses	6	-8,678	-16,051
Depreciation	2, 10	-58,105	-69,610
Impairment	2, 10	-34	-199,442
Other operating expenses	4	-	-57
Operating profit	2	**35,228**	**-231,476**
Finance income	8	2,071	108
Finance costs	8	-8,779	-16,668
Finance items, net		**-6,708**	**-16,560**
Profit before tax		**28,520**	**-248,036**
Tax on profit for the year	9	-5,514	32,161
PROFIT/LOSS FROM CONTINUING OPERATIONS		**23,006**	**-215,875**
Loss from discontinued operations	31	-	-38,139
PROFIT/LOSS FOR THE YEAR		**23,006**	**-254,014**
Other comprehensive income			
Exchange differences for the year		-1,104	-10,589
Exchange differences on discontinued operations	31	-	5,221
Remeasurements of defined-benefit asset		350	171
Total other comprehensive income for the year		**-754**	**-5,197**
Total comprehensive income		**22,252**	**-259,211**

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 2021	31 Dec 2020
ASSETS			
Intangible assets	11	20,373	19,991
Tangible fixed assets	12	344,401	384,778
Right of use assets	23	26,770	28,363
Financial investments	13	31	35
Other non-current receivables	14, 18	652	270
Deferred tax assets	9	2	28
Total non-current assets		**392,229**	**433,466**
Current assets			
Drilling equipment and consumable supplies	15	11,829	11,808
Trade receivables	16	10,795	6,369
Receivables from Group companies		2,108	3,112
Prepayments and accrued income	17	19,684	9,352
Other receivables		1,063	810
Tax receivables		208	230
Financial investments	13	20,438	2,260
Cash and cash equivalents	29	22,701	30,605
Assets held for sale	31	-	4,398
Total current assets		**88,826**	**68,944**
TOTAL ASSETS		**481,055**	**502,410**

Equity and Liabilities

31 December

Amounts in USD thousand	Note	31 Dec 2021	31 Dec 2020
Equity			
Share capital		7,350	7,350
Reserves		29,174	29,928
Retained earnings, incl. profit for the year		337,151	314,145
Total equity		**373,675**	**351,423**
Liabilities			
Deferred tax liabilities	9	18,844	21,316
Long-term interest-bearing liabilities	30	-	32,000
Other provisions	19	30,222	26,251
Leasing liability long term	23	25,701	26,778
Total non-current liabilities		**74,767**	**106,346**
Trade payables		1,262	527
Payables to Group companies		8,309	8,708
Other liabilities	20	1,762	2,553
Accruals and deferred income	21	20,203	28,383
Leasing liability short term	23	1,077	1,722
Liabilities associated with assets held for sale	31	-	2,748
Total current liabilities		**32,613**	**44,641**
Total liabilities		**107,380**	**150,987**
TOTAL EQUITY AND LIABILITIES		**481,055**	**502,410**

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, 2020	**7,350**	**34,798**	**668**	**572,631**	**615,447**
Profit/loss for the year	-	-	-	-254,014	-254,014
Other comprehensive income for the year	-	-5,368	-170	-	-5,538
Total comprehensive income for the year	-	*-5,368*	*-170*	*-254,014*	*-259,552*
Paid dividends to owner	-	-	-	-4,472	-4,472
Closing equity balance 31 Dec, 2020	**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**

Consolidated Statement of Cash Flows

1 January - 31 December

Amounts in USD thousand	Note	2021	2020
Indirect method			
Operating activities			
Profit before tax[1]		28,520	-248,036
Loss from discontinued operations		-	-38,139
Adjustment for non-cash items	29	53,765	324,405
Total		**82,285**	**38,230**
Taxes paid		-127	-170
Total		**82,158**	**38,060**
Cash flow from changes in working capital			
Decrease(+)/increase(-) in inventories		-20	-1,551
Decrease(+)/increase(-) in operating receivables		-14,780	27,907
Decrease(-)/increase(+) in operating liabilities		-8,116	-20,903
Cash flow from operating activities		**59,242**	**43,513**
Investing activities			
Acquisition of intangible assets	11	-627	-1,339
Acquisition of tangible fixed assets	12	-13,768	-12,504
Sale of subsidiary		1,980	-
Acquisition of financial assets	13	-23,500	-9,277
Assets held for sale	31	2,621	-2,621
Cash flow from investing activities		**-33,294**	**-25,741**
Financing activities			
Repayment of borrowings	30	-32,000	-20,000
Dividends paid		-	-4,472
Cash flow from financing activities		**-32,000**	**-24,472**
Cash flow for the year		**-6,052**	**-6,700**
Cash & cash equivalents at beginning of year		30,605	34,489
Exchange differences		-1,852	2,816
Cash & cash equivalents at end of year	29	**22,701**	**30,605**

1) The amount includes interest received of USD 25 (146) thousand, and interest paid of USD 3,683 (6,283) 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 June 7, 2022.

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

2021	2021	2020	2020
Average	Period end	Average	Period end
8,568585	9,0437	9,217152	8,1886

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 2021

Changes in standards and interpretations that enter into force on 1 January 2021 are not having any material impact on SPE Group accounting.

AMENDED ACCOUNTING POLICIES FROM 2022

Other changes in standards and interpretations that enter into force on 1 January 2022 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 right 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.

The leasing liability for the Group´s premises with rent as indexed is calculated on the rent that applies at the end of each reporting period. At this time, the liability is adjusted with the corresponding adjustment of the carrying amount of the leasing asset. Similarly, the value of the liability and the asset is adjusted in connection with the reassessment of the leasing period. This occurs when the last notice date within the previously assessed lease period for local leases has been passed or when significant events occur or the circumstances are significantly changed in a way that is within the control of the SPE Group and affects the current assessment of the lease period.

For leases having a leasing period of 12 months or less or with an underlying low-value asset, less than USD 5 thousands, 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 loan 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 to 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 receivable 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 called off, 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 Notes 16 (Trade receivables), 29 (Cash and cash equivalents) and 20 (Liabilities).

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 programme 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) is 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 most of the pension plans for employees are defined benefit plans, except for the CEO and management team of SPE AB, who 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. At the end of 2020, Svenska made a strategic decision to focus on production and therefore discontinued separate reporting of exploration, business development and administration. Management now reviews the business from a geographical perspective.

Total revenues	2021	2020
The Ivory Coast[1]	141,213	102,519
Nigeria	-	2,400
Sweden	31	149
Total	**141,244**	**105,068**

Income from external customers	2021	2020
Customers[1]	141,213	102,519

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	2021	2020
The Ivory Coast	-58,070	-68,367
Nigeria	-34	-199,442
United Kingdom	-	-858
Sweden	-35	-385
Total	**-58,139**	**-269,052**

Operating profit/loss[1]	2021	2020
The Ivory Coast	41,198	-15,107
Nigeria	-673	-197,244
Ireland	-222	-444
United Kingdom	293	-587
Sweden	-5,368	-18,094
Total	**35,228**	**-231,476**

1) Internal costs are divided between the segments.

Note 2 - Cont.

Intangible oil and gas assets	2021	2020
The Ivory Coast	20,373	19,991
Total	**20,373**	**19,991**

Tangible oil and gas assets	2021	2020
The Ivory Coast	343,202	384,715
United Kingdom	1,156	-
Sweden	43	63
Total	**344,401**	**384,778**

Right of use assets (lease)	2021	2020
The Ivory Coast	26,770	28,345
Sweden	-	18
Total	**26,770**	**28,363**

This year´s investments	2021	2020
The Ivory Coast	16,615	12,948
Guinea-Bissau	211	755
Nigeria	35	72
Sweden	-	68
Total	**16,861**	**13,843**

Liabilities and provisions	2021	2020
The Ivory Coast	101,918	139,047
Guinea-Bissau	-	2,748
Nigeria	199	2,628
Ireland	345	471
United Kingdom	2,490	2,632
Sweden	2,428	3,461
Total	**107,380**	**150,987**

Note 3 - Other Operating Income

	2021	2020
Reversal of accrual for performance bond	-	2 400
Other operating income	31	75
Exchange gains	-	74
Total	**31**	**2,549**

Note 4 – Other Operating Expenses

	2021	2020
Exchange losses	-	-57
Total	**0**	**-57**

Note 5 – Operational and Exploration Costs

	2021	2020
Operating expenses	-22,712	-33,706
Royalties	-2,849	-1,931
Oil and gas tax, operational	-5,664	-3,812
Total	**-31,225**	**-39,449**

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.

	2021		2020	
Average number of employees	**Employees**	**whereof male**	**Employees**	**whereof male**
Sweden	2	2	12	9
United Kingdom	4	2	13	8
Total	**6**	**4**	**25**	**17**

	2021	2020
Executive management		
Board members	3	3
Executive management	4	6
Gender distribution (female representation in %)		
Board members	0%	0%
Executive management	50%	33%

	2021		2020	
Personnel costs	**Senior executives**	**Other employees**	**Senior executives**	**Other employees**
Salaries and other benefits	6,152	299	6,174	5,442
-of which bonuses to senior executives	*1,790*		*1,765*	
Social security contributions	1,145	46	1,414	787
Pension costs	569	198	578	864
Total	**7,866**	**543**	**8,166**	**7,093**

The CEO, Mr. Fredrik Öhrn, received a fixed salary of USD 746 (613) thousand, a bonus of USD 390 (367) thousand and other benefits of USD 19 (16) thousand. His pension costs for the year amounted to USD 353 (248) 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	2021	2020
Jason Milazzo	58	53
Richard Öhman	23	21
Petter Holland	23	21
Total	**104**	**95**

Note 7 – Auditors' Fees and other Remuneration

	2021	2020
KPMG		
Annual audit	58	58
Tax advisory services	-	39
Other services	-	21
Other Audits		
Annual audit	11	12
Tax advisory services	-	25
Total	**69**	**155**

Note 8 – Finance Income and Costs

	2021	2020
Sale of subsidiary	131	-
Interest income on bank deposits	53	108
Net exchange-rate differences	1,887	-
Finance income	**2,071**	**108**
Group contribution	-980	-
Net exchange-rate differences	-	-6,241
Interest expense on financial liabilities measured at amortized cost	-4,453	-5,537
Interest expense on leases	-2,439	-3,451
Other financial costs	-907	-1,439
Finance costs	**-8,779**	**-16,668**

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

Note 9 – Taxes

	2021	2020
Tax expense for the period	-6,556	-4,513
Current tax	**-6,556**	**-4,513**
Deferred tax from temporary differences	1,042	36,674
Deferred tax	**1,042**	**36,674**
Total recognized tax expense (-) income (+)	**-5,514**	**32,161**

Reconciliation of effective tax		
Profit/loss before tax from continuing operations	28,520	-248,036
Profit/loss before tax from discontinued operations	-	-38,139
Result before tax	**28,520**	**-286,175**
Tax at Swedish enacted tax rate 20,6% (21.4%)	-5,875	61,241
Non-deductible expenses	-1,466	-2,507
Non-taxable income	1,587	443
Tax effect, petroleum tax Ivory Coast	-1,331	-2,524
Effect of different tax rates for foreign subsidiaries	-163	-170
Exchange-rate differences[1]	-216	-2,407
Loss carry forward not recognized as deferred tax asset	1,950	-22,539
Tax due to changes in tax rates	-	531
Other items	-	93
Recognized tax expense (-) income (+)	**-5,514**	**32,161**
Effective tax	**19,3%**	**11,2%**

1) Exchange-rate differences refers to exchange effects in entities reporting in another currency than the legal currency.
From 2021, the tax rate in Sweden has changed from 21,4% to 20,6%.

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 2021	Deferred tax asset	Deferred tax liability	Net
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**

31 Dec 2020			
Exploration costs	-	-2,429	-2,429
Oil and gas assets	-	-20,183	-20,183
Loss carry forward	5,106	-	5,106
Provision for abandonment	-	-3,762	-3,762
Other	28	-48	-20
Total	**5,134**	**-26,422**	**-21,288**
Net	-5,106	5,106	-
According to balance sheet	**28**	**-21,316**	**-21,288**

Note 9 – Cont.

Changes in deferred tax

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**

31 Dec 2020	Amount at beginning of year	Disclosed in income statement	Other changes[1]	Amount at end of year
Exploration costs	-19,490	17,061	-	-2,429
Oil and gas assets	-31,945	16,164	-4,402	-20,183
Provision for abandonment	-2,526	-1,236	-	-3,762
Loss carry forward	-	4,536	570	5,106
Other	-49	148	-119	-20
Total	**-54,010**	**36,673**	**-3,951**	**-21,288**

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 mainly refer to Nigeria.

Note 10 – Depreciation and Impairment

	2021	2020
Depreciation		
Oil and gas assets		
The Ivory Coast	56,495	66,791
Other		
Equipment	18	81
Right-of-use assets	1,592	2,738
Total depreciation	**58,105**	**69,610**
Impairment		
Exploration costs		
OML 145, Nigeria	34	199,442
Total impairment	**34**	**199,442**
Total depreciation and impairment	**58,139**	**269,052**

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 2021	31 Dec 2020
Opening costs	287,720	339,137
Exchange differences[1]	-	8,838
Additions	627	1,339
Assets classified as held for sale and disposals[1]	-211	-61,594
Closing accumulated cost	**288,136**	**287,720**
Opening impairment	-267,728	-81,181
Exchange differences[1]	-	-9,676
Disposals	-	22,571
Impairment for the year[2]	-35	-199,442
Closing accumulated impairment	**-267,763**	**-267,728**
Carrying amount at end of period	**20,373**	**19,991**

Carrying amount per field	Operator	Participating interest %	31 Dec 2021	31 Dec 2020
Nigeria, OML 145	ExxonMobil	21.05%	-	-
The Ivory Coast, CI-40, Kossipo	CNR	27.39%	20,373	19,991
Total			**20,373**	**19,991**

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) Relates to SEK companies in the Group.
2) Impairment losses relate to Nigeria

Note 12 – Tangible Fixed Assets

	Oil and gas assets[2]	Equipment[3]	Total
Opening cost, 1 Jan 2020	**811,534**	**3,347**	**814,881**
Exchange differences[1]	-	152	152
Investments	12,437	67	12,504
Disposals	-	-1,904	-1,904
Closing accumulated cost, 31 Dec 2020	**823,971**	**1,662**	**825,633**
Exchange differences[1]	-	-103	-103
Investments	16,234	-	16,234
Disposals	-	-	-
Closing accumulated cost, 31 Dec 2021	**840,205**	**1,559**	**841,764**
Opening depreciation, 1 Jan 2020	**-373,716**	**-2,148**	**-375,864**
Exchange differences[1]	-	-23	-23
Depreciation for the year	-66,791	-81	-66,872
Disposals	-	1,904	1,904
Closing accumulated depreciation, 31 Dec 2020	**-440,507**	**-348**	**-440,855**
Exchange differences[1]	-	5	5
Depreciation for the year	-56,495	-18	-56,513
Disposals	-	-	-
Closing accumulated depreciation, 31 Dec 2021	**-497,002**	**-361**	**-497,363**
Carrying amount, 31 Dec 2020	**383,464**	**1,314**	**384,778**
Carrying amount, 31 Dec 2021	**343,203**	**1,198**	**344,401**

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

Resources and reserves, Svenska share	2021[1] Oil (mmbo)	Gas (bcf)	Total (mmboe)	2020[1] Oil (mmbo)	Gas (bcf)	Total (mmboe)
Reserves (2P)						
The Ivory Coast, CI-40 Baobab	22,7	9,0	24,3	25,0	10,1	26,7
Resources (2C)						
Ivory Coast, CI-40 Kossipo South	27,1	22,7	31,2	15,9	13,3	18,2
Ivory Coast, CI-40 Baobab Phase 5	12,6	7,7	14,0	12,6	7,7	14,0
Ivory Coast, CI-40 future potential	10,0	5,3	10,9	19,3	12,4	21,5
Nigeria, OML 145 Uge	58,7	51,6	67,9	58,7	51,6	67,9
Total Resources (2C)	**108,4**	**87,3**	**124,0**	**106,5**	**85,0**	**121,6**

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

Note 13 – Financial Investments

Financial investments held as non-current assets	31 Dec 2021	31 Dec 2020
Stocks	31	35
Total	**31**	**35**
Opening balance	35	1,156
Exchange differences	-4	-1, 121
Closing balance	**31**	**35**

Financial investments held as current assets	31 Dec 2021	31 Dec 2020
Put options	2,438	2,260
Short-term deposits	18,000	-
Total	**20,438**	**2,260**
Opening balance	2,260	659
Purchase	23,500	9,277
Sale	-610	-
Revaluation	-4,712	-7,676
Closing balance	**20,438**	**2,260**

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 is 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 2021	31 Dec 2020
Pension fund (see Note 18)	611	258
Other long-term receivables	41	12
Total	**652**	**270**

Note 15 – Drilling Equipment and Consumable Supplies

	31 Dec 2021	31 Dec 2020
Drilling equipment and consumable supplies	11,829	11,808
Total	**11,829**	**11,808**

The equipment and supplies relate to CI-40 Baobab.

Note 16 – Trade Receivables

	31 Dec 2021	31 Dec 2020
Opening balance	6,369	12,749
Received payments	-6,369	-12,749
Increase during the year	10,795	6,369
Carrying amount at the end of the period	**10,795**	**6,369**

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 2021	31 Dec 2020
Prepaid insurance costs	803	273
Prepaid finance costs	1,042	3,640
Underlift	17,824	4,877
Other costs	15	562
Total	**19,684**	**9,352**

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 are 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. The plan is closed. The plan assets are measured at market value. Employers may choose to invest their pension fund in various portfolios with different risk levels. The Group has chosen an investment portfolio with an asset allocation that is between low and high risk.

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. As Alecta cannot report sufficient information for the Company to report its proportionate share of the plan's obligations, plan assets and costs, the ITP 2 pension plan is reported as a defined contribution plan. The Group's share of total actives in ITP 2, Alecta amounts to 0.00050 (0.00207) percent.

Amounts in the balance sheet	31 Dec 2021	31 Dec 2020
Present value of funded obligations	1,941	2,407
Fair value of plan assets	2,552	2,665
Funded plan	**611**	**258**
The net amount is recognized in the following items in the statement of financial position:		
Other non-current receivables (see Note 14)	611	258

Amounts in total comprehensive income	2021	2020
Amounts included in income statement		
Cost of defined-contribution plans and ITP 2	767	1,442
Net interest income	3	7
Amount reported in income statement	**770**	**1,449**
Amounts included in other comprehensive income		
Remeasurements:		
Actuarial gains (+) and loss (-)	155	-287
Return on plan assets	242	74
Net amount reported in other comprehensive income	**397**	**-213**

Note 18 – Cont.

Movement in the present value of the defined-benefit obligation	31 Dec 2021	31 Dec 2020
Opening balance:	2,408	1,934
Interest expense reported in the income statement	27	28
Benefit payments	-125	-149
Actuarial gain (-) and loss (+) due to changes in financial assumptions	-137	95
Gain (-) and loss (+) due to experience assumptions	-18	192
Effect of changes in foreign exchange rates	-214	308
Closing balance	**1,941**	**2,408**

Membership statistics		
Vested deferreds	36,5%	40,4%
Retirees	63,5%	59,6%

Movement in present value of plan assets	31 Dec 2021	31 Dec 2020
Opening balance:	**2,665**	**2,365**
Interest income reported in the income statement	30	35
Benefit from employers	-125	-149
Return on plan assets	242	74
Effect of changes in foreign exchange rates	-260	341
Closing balance	**2,552**	**2,665**

Plan assets distribution	31 Dec 2021	31 Dec 2020
Equity instruments	893	930
Debt securities	1,327	1,354
Properties	332	381
Total	**2,552**	**2,665**

Significant actuarial assumptions (expressed as weighted average)	2021	2020
Discount rate	1,70%	1,20%

The discount rate is based on corporate bonds that match the duration of the plan (15.4 years). An increase/decrease in the discount rate of 0.5% has no material impact on the obligation.

The pension plan is closed to new entrants and includes only funds relating to previous years' work. Therefore there is no effect from salary increase or staff turnover.

Other information

The Group estimates that approximately USD 122 thousands will be paid in 2022 to the defined-benefit plans and USD 4 thousands for the benefit-paid plans reported as defined-contribution plans.

Note 19 – Other Provisions

	31 Dec 2021	31 Dec 2020
Provisions for abandonment costs		
Opening balance	25,949	24,481
Present value adjustment	1,557	1,468
Remeasurement of provision	2,466	-
Carrying amount at the end of the period	**29,972**	**25,949**
Other provisions		
Provision for technical reserves, PIC Ltd (Captive)	250	302
Total	**30,222**	**26,251**

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 incur 2038.

Note 20 – Other Liabilities

	31 Dec 2021	31 Dec 2020
Licence liabilities	1,224	1,865
Employee taxes and tax liabilities	538	688
Total	**1,762**	**2,553**

Note 21 – Accruals and Deferred Income

	31 Dec 2021	31 Dec 2020
Accrued personnel expenses	3,802	6,649
Accrued project expenses	15,920	18,433
Financial items	7	1,905
Other items	474	1,396
Total	**20,203**	**28,383**

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 for 2021 versus SEK was divided into the following currencies:

USD	2021	2020
Sales	141,213	102,520
Operating expenses	-65,066	-129,248
Net	76,147	-26,728
Of which hedged	-	-

Translation exposure

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

	2021		2020	
Currency	Amount	%	Amount	%
USD	308,293	82,5%	281,851	80,2%

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 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 2021), 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 -14,9 million. Management estimates that a general increase of 1 percent in the value of the interest rate would have reduced the Group's profit before tax by USD -0,5 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 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**

Carrying amounts of financial assets and liabilities by category 2020	Valued at amortised cost	Fair value through profit/ loss statement	Other liabilities	Total carrying amount	Total fair value
Financial assets carried at fair value:	-	2,260	-	2,260	2,260
Total	**-**	**2,260**	**-**	**2,260**	**2,260**
Financial assets not carried at fair value:	-	-	-		
Trade receivables	6,369	-	-	6,369	6,369
Other receivables	810	-	-	810	810
Cash and cash equivalents	30,605	-	-	30,605	30,605
Other	35	-	-	35	35
Total	**37,819**	**-**	**-**	**37,819**	**37,819**
Financial liabilities not recognized at fair value					
Trade payables	-	-	527	527	527
Other liabilities	-	-	13,442	13,442	13,442
Bank loans	-	-	32,000	32,000	32,000
Total	**-**	**-**	**45,969**	**45,969**	**45,969**

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	Office rent	Oil and gas assets and equipment	Cars	Total
Opening balance as of 1 January 2020	**1,276**	**29,920**	**32**	**31,228**
Cancellations	-149	-	-	**-149**
Depreciation for the period	-1,147	-1,575	-16	**-2,738**
Exchange rate differences	20	-	2	**22**
Closing balance as of 31 December 2020	**-**	**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**

Lease liabilities	2021	2020
Short-term	1,077	1,722
Long-term	25,701	26,778
Total	**26,778**	**28,500**

Lease liabilities	Office rent	Oil and gas assets and equipment	Cars	Total
Opening balance as of 1 January 2020	**1,355**	**30,063**	**27**	**31,445**
Cancellations	-642	-	-	**-642**
Lease payment for the period	-804	-4,160	-18	**-4,982**
Interest for the period	866	2,584	2	**3,452**
Exchange rate differences	-775	-	2	**-773**
Closing balance as of 31 December 2020	**0**	**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 expenses	2021	2020
Depreciation of Right-of-use assets	-1,592	-2,738
Interest expense on lease liabilities	-2,439	-3,451
Lease expenses for short-term and low-valued leases	-4	-68
Total	**-4,035**	**-6,257**

Note 23 – Cont.

Amounts reported in the Statement of Cash Flows	2021	2020
Total effect of cash disbursements from lease contracts	4,169	4,285
Total	**4,169**	**4,285**

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

Additional information

Office rent

The Group's lease contracts in Stockholm and London were terminated in second half of 2020 and were thereafter replaced with 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 2022, 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 2021	31 Dec 2020
Oil and gas assets	31,096	17,576
Total	**31,096**	**17,576**

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 2021**	**31 Dec 2020**
Shares in subsidiaries	233,925	200,971
Bank account Standard Bank Isle of Man Ltd	1,468	3,619
Total	**235,393**	**204,590**
Contingencies	**-**	**35**

	Parent	
Pledged assets and contingencies Parent company SEK thousand	**31 Dec 2021**	**31 Dec 2020**
Shares in subsidiaries	1,597,099	1,597,099

Note 26 – Related Parties

Related party relationships

The Group is under the control of Moroncha Holdings Ltd. (Cyprus). Petroswede AB and Petroswede Europe AB are controlled by companies owned by Sheikh Mohammed H. Al-Amoudi. Corral Petroleum Holdings AB owns the Preem Group and is also a subsidiary of Moroncha Holdings Ltd. (Cyprus).

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 (+)	Dividend to (-) / from (+)
2021					
Petroswede AB	-	4,632	-	-928	-
Petroswede Europe AB	-	-	8,309	-	-
Moroncha Holdings Ltd	-	1,030	-	-	-
Hackholmssund Konferens AB	59	-	-	-	-
2020					
Petroswede AB	-	6,141	-	-	-4,472
Petroswede Europe AB			8,708		
Moroncha Holdings Ltd	-	538	-	-	-
Hackholmssund Konferens AB	54	-	-	-	-

Note 27 – Specification of Shares

Please 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: 2021 and forward 70.0 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 during 2021 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

	2021	2020
Adjustments for non-cash items		
Depreciation and impairment	58,139	303,708
Oil tax[1]	-6,409	-4,343
Unrealized value put option	4,712	7,676
Unrealized exchange differences	-1,882	6,455
Leasing rent	-1,722	-1,531
Group contribution	980	-
Provisions and other non-cash items	-53	12,440
Total	**53,765**	**324,405**

Cash and cash equivalents		
The following components are included in cash and cash equivalents:		
Cash and bank balances	22,701	30,605
Total	**22,701**	**30,605**

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.

	2021	2020
Long-term interest-bearing liabilities		
Long-term bank loans (Reserves-Based Lending Facility)	-	32,000
Long-term lease liabilities	25,701	26,778
Total	**25,701**	**58,778**

	2021	2020
Reserves-Based Lending Facility		
Opening balance	32,000	52,000
Amortisation	-32,000	-20,000
Closing balance	**-**	**32,000**

A voluntary repayment of the loan was made during 2021.

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 five 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.

				2021		2020	
	Currency	Nom. int. rate	Mature date	Nominal amount	Carrying amount	Nominal amount	Carrying amount
RBL	USD	6,16%	2023	-	-	32,000	32,000
Lease liabilities	USD	8,50%	2038	25,701	25,701	26,788	26,788

Maturity of financial liabilities - undiscounted cash flows

	Currency	Nominal amount	0-1 year	1-5 years	> 5 years
RBL	USD	-	-	-	-
Lease liabilities	USD	25,701	1,077	5,385	19,239

Note 31 – Discontinued operations

In December 2020 a sale purchase agreement was reached regarding the subsidiary SPE Guinea Bissau AB. The sale was contingent on local government approval which was received in May 2021 whereby the sale was finalized.

	2021	2020
Financial performance		
Revenue	-	80
Expenses	-	-38,217
Profit before tax	**-**	**-38,137**
Income tax	-	-
Loss from discontinued operations	**-**	**-38,137**
Exchange difference on translation of discontinued operations	-	5,221
Other comprehensive income on discontinued operations	**-**	**5,221**
Net cash inflow from operating activities	-	-1,657
Net cash outflow from operating activities	-	-755
Net increase in cash generated by the operations	**-**	**-2,412**

	2021-12-31	2020-12-31
Assets and liabilities of disposal group classified as held for sale		
Assets held for sale		
Inventories	-	1,747
Other receivables	-	30
Cash	-	2,621
Total assets of disposal group held for sale	**-**	**4,398**
Liabilities associated with assets held for sale		
Other liabilities	-	526
Accruals and deferred income	-	2,222
Total liabilities of disposal group held for sale	**-**	**2,748**

Note 32 – Events after the end of the financial year

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 has so far been higher Brent prices, which increase the Company's earnings, at least in short term. In a medium to longer term, the risk of higher inflation on a global scale, is likely to lead to higher prices on essential supplies to the business that puts a pressure on the business margin.

Income Statement

1 January - 31 December

Amounts in SEK thousand	Note	2021	2020
Net sales	101	50,802	28,216
Other operating income	102	876	665
Total operating income		**51,678**	**28,881**
Operating expenses			
Other external costs	105, 115	-19,104	-54,378
Employee benefits expenses	104	-74,355	-147,948
Depreciation and write-downs	108	-152	-733
Other operating expenses	103	-11,019	-526
Total operating expenses		**-104,630**	**-203,585**
Operating profit/loss		**-52,952**	**-174,704**
Profit/loss from financial investments			
Profit/loss from participations group companies	118	328,799	-1,589,238
Other interest and similar income	106	103,371	11,434
Other interest and similar expense	106	-16,558	-37,378
Profit/loss after financial items		**362,660**	**-1,789,886**
Appropriations			
Group contribution, received		19,652	1,425
Group contribution, paid		-13,468	-
Profit/loss before tax		**368,844**	**-1,788,461**
Tax	107	-9,707	40,245
Profit/loss for the year		**359,137**	**-1,748,216**

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

Balance Sheet

1 January - 31 December

Amounts in SEK thousand	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Fixed assets			
Tangible fixed assets	109	8,455	8,607
Total fixed assets		**8,455**	**8,607**
Financial assets			
Investments in Group companies	118	1,617,842	1,617,842
Receivables from Group companies	110	442,253	542,617
Financial investments	111	306	306
Deferred tax asset		32,899	41,808
Other non-current receivables		365	100
Total financial assets		**2,093,665**	**2,202,673**
Total non-current assets		**2,102,120**	**2,211,280**
Current assets			
Receivables from Group companies		112,582	64,575
Prepayments and accrued income	112	346	3,509
Other receivables		10,073	5,319
Tax receivables		683	-
Cash and cash equivalents		129,810	166,923
Total current assets		**253,494**	**240,326**
TOTAL ASSETS		**2,355,614**	**2,451,606**

Equity and Liabilities

1 January - 31 December

Amounts in SEK thousand	Note	31 Dec 2021	31 Dec 2020
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		1,752,934	3,501,186
Profit/loss for the year		359,137	-1,748,216
Total unrestricted equity		**2,112,071**	**1,752,970**
Total equity	**120**	**2,172,082**	**1,812,981**
Accounts payable		1,055	4,253
Other liabilities	113	5,796	7,884
Liabilities to Group companies		131,186	549,467
Current tax liability		-	79
Accruals and deferred income	114	45,495	76,942
Total current liabilities		**183,532**	**638,625**
TOTAL EQUITY AND LIABILITIES		**2,355,614**	**2,451,606**

Cash Flow Statement

1 January - 31 December

Amounts in SEK thousand	Note	2021	2020
Indirect method			
Operating activities			
Profit/loss after financial items[1]		362,660	-1,789,886
Adjustment for non-cash items	119	-993	1,615,465
Total		**361,667**	**-174,421**
Taxes paid		**-1,560**	**1,598**
Cash flow from operating activities before changes in working capital		**360,107**	**- 172,823**
Cash flow from changes in working capital			
Decrease (+) / increase (-) in operating receivables		29,946	-422,584
Decrease (+) / increase (-) in operating liabilities		58,538	589,584
Cash flow from operating activities		**28,592**	**-5,823**
Investing activities			
Acquisition of intangible assets		-	-28
Acquisition of tangible assets	109	-	-513
Disposals of assets/operations, net effect		1,109	-
Change in loans to Group companies, net change		100,099	-
Purchase/transfer of loans from Group companies		-527,020	-
Cash flow from investing activities		**-425,812**	**-541**
Financing activities			
Dividend to owner		-	-40,880
Shareholder contributions		-	1,425
Cash flow from financing activities		**-**	**-39,455**
Cash flow for the year		**-37,113**	**-45,819**
Cash and cash equivalents at beginning of year		166,923	212,742
Cash and cash equivalents at end of year		**129,810**	**166,923**

1) The amount includes interest received of SEK 33,944 (1,689) thousand, and interest paid of SEK 698 (112) 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 wholly owned by 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	2021	2020
Management/administrative/geological services within Group	50,802	27,525
Oil licenses services	-	691
Total	**50,802**	**28,216**

Note 102 – Other Operating Income

	2021	2020
Release of provision for investment obligation	687	-
Exchange gains	-	665
Other income	189	-
Total	**876**	**665**

Note 103 – Other Operating Expenses

	2021	2020
Exchange losses	-11,019	-526
Total	**-11,019**	**-526**

Note 104 – Employee Benefit Expenses

	2021		2020	
Average number of employees	**Employees**	**Whereof male**	**Employees**	**Whereof male**
Sweden	2	2	12	9
United Kingdom	4	2	13	8
Total	**6**	**4**	**25**	**17**

	2021	2020
Executive management		
Board members	3	3
Executive management	4	6
Gender distribution (female representation in %)		
Board members	0%	0%
Executive management	50%	33%

Note 104 – Cont.

Personnel costs	2021 Senior executives	2021 Other employees	2020 Senior executives	2020 Other employees
Salaries	52,716	2,562	56,911	50,157
- of which bonuses to senior executives	*15,341*		*16,271*	
Pension costs	4,876	1,697	5,326	7,966
Social security contributions	9,815	392	13,035	7,255
Total	**67,407**	**4,651**	**75,272**	**65,378**

The CEO, Mr. Fredrik Öhrn, received a fixed salary of SEK 6,390 (5,650) thousand, a bonus of SEK 3,340 (3,384) thousand and other benefits of SEK 166 (143) thousand. His pension costs for the year amounted to SEK 3,025 (2,284) 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	2021	2020
Jason Milazzo	500	500
Richard Öhman	200	200
Petter Holland	200	200
Total	**900**	**900**

Note 105 – Auditors' Fees and other Remuneration

	2021	2020
KPMG		
Annual audit	468	468
Tax advisory services	-	364
Other services	77	214
Total	**545**	**1,046**

Note 106 – Finance Income and Costs

	2021	2020
Interest income and similar items		
Exchange gains, Group	69,427	9,735
Exchange gains, other	-	10
Interest income, Group	32,224	872
Other interest income	1,720	817
Total	**103,371**	**11,434**
Interest expense and similar items		
Exchange losses, Group	-	-17,428
Exchange losses, other	-15,860	-19,820
Other interest expense	-698	-128
Other financial expense	-	-2
Total	**-16,558**	**-37,378**
Finance net	**86,813**	**-25,944**

Note 107 – Taxes

	2021	2020
Tax for the period	-464	-1,389
Adjustment of tax in respect of prior years	-334	-174
Current tax	**-798**	**-1,563**
Deferred tax from temporary differences	-8,909	41,808
Deferred tax	**-8,909**	**41,808**
Total recognized tax	**-9,707**	**40,245**

Reconciliation of effective tax		
Profit/loss before tax	**368,844**	**-1,788,461**
Tax at Swedish-enacted tax rate 20,6% (21.4%)	-75,982	382,731
Non-deductible expenses	-1,008	-1,023
Non-taxable income	75,901	8,853
Write-down shares in subsidiaries	-4,120	-348,753
Foreign taxes, United Kingdom	-703	-1,389
Change in loss carry forward that has not previously been reported as an asset	-3,908	-
Taxable deductible cost not recognised in Income statement	197	-
Given net interest to group company	10	-
Tax previous years	-95	-174
Recognized tax	**-9,707**	**40,245**
Effective tax	**2,6%**	**2,3%**

From 2021, the tax rate in Sweden has changed to 20.6%.

Note 108 – Depreciation and Write-Downs

Depreciation	2021	2020
Fixed assets	-152	-733
Total	**-152**	**-733**

Note 109 – Tangible Fixed Assets

	Tenant	Equipment	Total
Opening balance, 1 Jan 2020	**8,249**	**17,387**	**25,636**
Purchases	-	513	513
Disposals/scrapping	-	-17,443	-17,443
Closing accumulated cost, 31 Dec 2020	**8,249**	**457**	**8,706**
Closing accumulated cost, 31 Dec 2021	**8,249**	**457**	**8,706**
Opening depreciation, 1 Jan 2020	**-**	**-16,912**	**-16,912**
Depreciation for the year	-	-320	-320
Disposals/scrapping	-	17,133	17,133
Closing accumulated depreciation, 31 Dec 2020	**-**	**-99**	**-99**
Depreciation for the year	-	-152	-152
Closing accumulated depreciation, 31 Dec 2021	**-**	**-251**	**-251**
Carrying amount, 31 Dec 2020	**8,249**	**358**	**8,607**
Carrying amount, 31 Dec 2021	**8,249**	**206**	**8,455**

Note 110 – Receivables from Group Companies

Loan SPE CI AB	31 Dec 2021	31 Dec 2020
Opening balance	542,617	-
Transfer from Group company	-	542,617
Additional loans	122,411	-
Amortisations	-262,483	-
Paid interest	-5,618	-
Exchange rate effects	45,326	-
Closing balance	**442,253**	**542,617**

Note 111 – Other Securities Held as Non-Current Assets

	31 Dec 2021	31 Dec 2020
Opening costs	306	306
Closing accumulated cost	**306**	**306**

Note 112 – Prepayments and Accrued Income

	31 Dec 2021	31 Dec 2020
Prepaid rent	-	66
Prepaid insurance costs	227	150
Other costs	119	3,293
Total	**346**	**3,509**

Note 113 – Other Liabilities

	31 Dec 2021	31 Dec 2020
Personnel expenses	3,739	5,042
VAT	1,195	-
Other liabilities	862	2,842
Total	**5,796**	**7,884**

Note 114 – Accruals and Deferred Income

	31 Dec 2021	31 Dec 2020
Accrued personnel expenses	33,194	36,157
Restructuring costs	-	24,290
Deferred financial income, Group loan	10,685	15,597
Other	1,616	898
Total	**45,495**	**76,942**

Note 115 – Leasing

Leases where the Company is the lessee

	2021	2020
Minimum lease payments	1,442	14,785
Contingent rents	673	6,907
Total	**2,115**	**21,692**
Agreed future minimum lease payments under non-cancellable lease payments fall due as follows:		
Within one year	212	283
Between one and five years	-	19
Total	**212**	**302**

Additional information

Office rent

The Group's lease contracts in Stockholm and London were terminated in second half of 2020 and were thereafter replaced with short term shared office space agreements.

Cars

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

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/geological 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 2021	31 Dec 2020
Opening cost	1,617,842	3,232,527
Shareholder contributions	20,000	15,000
Write-down	-20,000	-1,629,685
Closing carrying amount	**1,617,842**	**1,617,842**

In 2020 the company wrote down the value of the shares in SPE Guinea-Bissau AB to nil as a share purchase agreement for the sale of the shares in the subsidiary for 1 SEK was signed in December. The sale was dependent on local government approval which was received in May 2021. The value of the shares in SPE Nigeria AB was also written down to nil. The prospects of continued development of the subsidiaries license OML 145 are uncertain due to the new Petroleum Industry Bill in Nigeria resulting in additional royalties. Therefore, Svenska has taken a prudent view and written down the carrying value of the asset to nil pending clarification on the way forward.

The Parent Company's holdings of shares in Group companies, 31 December 2021
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
Oljeprospektering AB	556126-4671	Stockholm	50,000	100	1,893
Petroswede Insurance Company DAC	266707	Dublin, Ireland	750,000	100	18,851
SPE Nigeria AB	556594-2512	Stockholm	1,000	100	0
Svenska Nigerian Holdings Ltd	36352	Bermuda			
Svenska Nigerian Investments LLC	6970	Nevis			
Svenska Nigeria Exploration & Production Ltd	618208	Nigeria			
Svenska Nigeria (Deepwater 1) Limited	639349	Nigeria			
SPE CI Holding AB	556688-3541	Stockholm	1,000	100	1,597,098
SPE CI AB	556665-4884	Stockholm			
Total					**1,617,842**

Note 119 – Additional Cash Flow Analysis Disclosures

	2021	2020
Adjustments for non-cash items		
Depreciation and write-downs	152	1,630,417
Dividend	-	-40,880
Exchange rate adjustments	-	27,504
Interest	-	-1,576
Other	-36	-
Disposals of assets/operations, net effect	-1,109	-
Total	**-993**	**1,615,465**

Cash and cash equivalents
The following components are included in cash and cash equivalents

Cash and bank balances	129,810	166,923
Total	**129,810**	**166,923**

Note 120 – Statement of Changes in Equity

	Share capital	Legal reserve	Retained earnings	Total equity
Opening equity, 1 Jan 2020	**50,000**	**10,011**	**3,542,072**	**3,602,083**
Profit for the year	-	-	-1,748,216	-1,748,216
Dividend to owner	-	-	-41,211	-41,211
Translation difference foreign branch	-	-	325	325
Closing equity, 31 Dec 2020	**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**

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

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 has so far been higher Brent prices, which increase the Company’s earnings, at least in short term. In a medium to longer term, the risk of higher inflation on a global scale, is likely to lead to higher prices on essential supplies to the business that puts a pressure on the business margin.

Signed by the
Board of Directors

Stockholm, 7 June 2022

DocuSigned by:
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Jason T. Milazzo
Chairman

DocuSigned by:
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Fredrik Öhrn
President

DocuSigned by:
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Richard Öhman
Member of the Board

DocuSigned by:
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Petter Holland
Member of the Board

Our audit report was submitted on 7 June 2022
KPMG AB

DocuSigned by:
Håkan Reising
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Håkan Olsson Reising
Authorised Public Accountant

KPMG

Auditor's Report

To the general meeting of the shareholders of Svenska Petroleum Exploration AB, corp. id 556093-2583

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Svenska Petroleum Exploration AB for the year 2021.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Svenska Petroleum Exploration AB for the year 2021 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

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

Stockholm 7 June 2022

KPMG AB

DocuSigned by:

Håkan Reising

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Håkan Olsson Reising

Authorized Public Accountant

DocuSign

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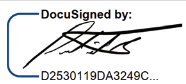

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Signed: 6/7/2022 9:57:04 AM

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Identification Method: Electronic ID
Type of Electronic ID: SE_BANKID
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Country of ID: SE
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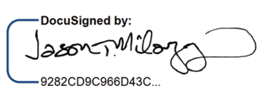
Electronic Record and Signature Disclosure:
Accepted: 6/7/2022 9:29:52 AM
ID: 8e90082e-0c9c-4fd0-a68e-956ef4fb29a3

Jason Tadwell Milazzo
milazzo@corral.se
Security Level: Email, Account Authentication (None)



Signature Adoption: Drawn on Device
Signed by link sent to milazzo@corral.se
Using IP Address: 104.36.2.132
Signed using mobile

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Resent: 6/7/2022 11:05:33 AM
Viewed: 6/7/2022 11:19:30 AM
Signed: 6/7/2022 11:19:55 AM

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Identification Method: Government Issued Id Document
Type of Document: Passport
Identification Level: ID Only
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Country of ID: US
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Signer Events	Signature	Timestamp

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Identification Method: Government Issued Id Document
Type of Document: Passport
Identification Level: ID Only
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Country of ID: US
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Electronic Record and Signature Disclosure:
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ID: 81cfdb96-a79a-4c42-8c65-8ccb41ce71b7

Signer Events	Signature	Timestamp
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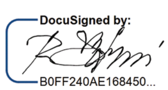
Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: NO_BANKID_MOB
Transaction Unique ID: c3b099b6-f4ae-59b8-b5c5-41dc37667699
Country of ID: NO
Result: Passed
Performed: 6/7/2022 9:43:44 AM

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: NO_BANKID_MOB
Transaction Unique ID: 615be60f-3414-5d46-bfb5-5a5937f9a929
Country of ID: NO
Result: Passed
Performed: 6/7/2022 1:08:55 PM

Electronic Record and Signature Disclosure:
Accepted: 6/7/2022 9:43:59 AM
ID: c706a6c7-dd4e-47a1-a1e9-fd28a8037fcc

Signer Events	Signature	Timestamp
Richard Öhman richard.ohman@corral.se Security Level: Email, Account Authentication (None)	 Signature Adoption: Drawn on Device Signed by link sent to richard.ohman@corral.se Using IP Address: 46.39.127.166 Signed using mobile	Sent: 6/7/2022 9:33:18 AM Viewed: 6/7/2022 10:22:52 AM Signed: 6/7/2022 10:23:04 AM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: SE_BANKID
Transaction Unique ID: fe05538f-ef3c-5f54-963a-ca9cd20acccf
Country of ID: SE
Result: Passed
Performed: 6/7/2022 10:22:36 AM

Signer Events	Signature	Timestamp
Electronic Record and Signature Disclosure: Accepted: 6/7/2022 10:22:52 AM ID: d2d937aa-84ed-4eb9-9041-1c7c279c2001		
Håkan Reising hakan.reising@kpmg.se KPMG AB Security Level: Email, Account Authentication (None)	DocuSigned by: Håkan Reising BEC84D3C7822401... Signature Adoption: Pre-selected Style Signed by link sent to hakan.reising@kpmg.se Using IP Address: 195.84.56.2	Sent: 6/7/2022 11:19:58 AM Viewed: 6/7/2022 12:50:53 PM Signed: 6/7/2022 12:51:02 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: SE_BANKID
Transaction Unique ID: caee8178-2c98-586f-a90d-213d56418d9e
Country of ID: SE
Result: Passed
Performed: 6/7/2022 12:50:38 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/7/2022 9:33:18 AM
Certified Delivered	Security Checked	6/7/2022 12:50:53 PM
Signing Complete	Security Checked	6/7/2022 12:51:02 PM
Completed	Security Checked	6/7/2022 12:51:02 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

DocuSign

Certificate Of Completion

Envelope Id: 0C92E0681EB24FFFBC40751432AA61D8		Status: Completed

Subject: Please DocuSign: To the general meeting of the shareholders of Svenska Petroleum Exploration AB.pdf

Source Envelope:

Document Pages: 2	Signatures: 1	Envelope Originator:
Certificate Pages: 2	Initials: 1	Jesper Swärd
AutoNav: Enabled		PO Box 50768
EnvelopeId Stamping: Enabled		Malmö, SE -202 71
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna		jesper.sward@kpmg.se
		IP Address: 195.84.56.2

Record Tracking

Status: Original 6/7/2022 9:35:13 AM	Holder: Jesper Swärd jesper.sward@kpmg.se	Location: DocuSign

Signer Events	Signature	Timestamp
Håkan Reising hakan.reising@kpmg.se KPMG AB Security Level: Email, Account Authentication (None)	DocuSigned by: Håkan Reising BEC84D3C7822401... Signature Adoption: Pre-selected Style Signed by link sent to hakan.reising@kpmg.se Using IP Address: 195.84.56.2	Sent: 6/7/2022 9:35:33 AM Viewed: 6/7/2022 12:55:05 PM Signed: 6/7/2022 12:55:14 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: SE_BANKID
Transaction Unique ID: 65befa33-92db-5982-88d8-4bbb81167efb
Country of ID: SE
Result: Passed
Performed: 6/7/2022 12:54:50 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/7/2022 9:35:33 AM
Certified Delivered	Security Checked	6/7/2022 12:55:05 PM
Signing Complete	Security Checked	6/7/2022 12:55:14 PM

Envelope Summary Events	Status	Timestamps
Completed	Security Checked	6/7/2022 12:55:14 PM

Payment Events	Status	Timestamps