

Annual Report
for
Oil India Sweden AB

556794-0530

Financial Year
2022-04-01 – 2023-03-31

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

The Board of Directors for Oil India Sweden AB hereby submit the annual financial statement for the financial year 2022-04-01 – 2023-03-31.

All amounts in the annual report are presented in Euro, EUR. Unless otherwise stated, all amounts are posted in whole Euro (EUR). Data in parentheses refer to the previous year.

Directors' Report

General Information about the Enterprise

General Information about the Enterprise

Oil India Sweden AB was incorporated November 20, 2009.

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

The Company is a wholly-owned subsidiary to Oil India Limited, India, with corporate ID no. L11101AS1959GOI001148.

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

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

To be able to participate in Petrocarabobo S.A. the Indoil Netherlands B.V. entered into a Signature Bonus agreement for a total amount of USD 183,750,000 to be paid to the Republic of Venezuela, (USD 91 875 000 for Oil India Sweden AB). Total amount of USD 70,000,000 has been paid as at 31 March 2023. The payment of the remainder amount is based on the achievement of the following milestones:

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

Due to the political and economic situation in Venezuela it is uncertain if and when the situation in Venezuela will improve in a way that the outcome of the investments in Petrocarabobo S.A. will be met. To safeguard the company, the ultimate parent company, Indian Oil Corporation and Oil India Limited, guarantees the investments in Petrocarabobo S.A. under the signature bonus agreement. As it is uncertain when and if above mentioned milestones will be met, Indoil Netherlands BV booked these amounts as contingent liabilities in their financial statements as of 31st March 2023.

The company is headquartered in Stockholm.

Important Occurrences during the Fiscal Year

The Company has during the financial year made contributions (capital injections) to Indoil Netherlands to an amount of 15 KEUR, amounts that have been used for current expenses. During the year Indoil Netherlands converted contributions into new shares in amount of 324 757 EUR.

During this financial year, due to write down of investment in Venezuela in previous financial year, Company had made decision to decrease share capital by 44,016 KEuro which corresponds to decrease by 3,931,931 shares.

The activity of the group is fully financed by capital injections from the parent company Oil India Limited. During the year company received contributions in amount of 154 KEUR, which has been converted into new shares.

Political development impact on the operations in Venezuela:

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

Due to the political and economic situation in Venezuela it is uncertain if and when the situation in Venezuela will improve in a way that the outcome of the investments in Project Carabobo will be met. The previously estimate of when the project may resume has been re-evaluated and a new valuation report of the value of Indoil's investments in Project Carabobo has been prepared as of March 31, 2023. According to the new valuation report, the value of the investment in Petrocarabobo S.A has been assessed to USD 10 500 000 (EUR 9,640,987.99) and the value of the investments in and the receivables from Carabobo Ingenieria y Construcciones S.A has been assessed to USD 0 (EUR 0).

| Multi-year overview (KEUR) | 2022/23 | 2021/22 | 2020/21 | 2019/20 |
|-----------------------------------|---------|---------|---------|---------|
| Net turnover | 0 | 0 | 0 | 0 |
| Profit/loss after financial items | -363 | -37 195 | -6 354 | -62 |
| Balance sheet total | 3 403 | 3 650 | 40 697 | 46 894 |
| Equity/assets ratio (%) | 98,8 | 97,9 | 99,8 | 99,9 |

Changes in Equity

| | Share capital | Retained profit/loss | Profit/loss this year | Total |
|---|------------------|-------------------------|--------------------------|-----------|
| Amount at the opening of the year | 47 588 289 | -6 821 568 | -37 194 510 | 3 572 211 |
| Appropriation of earnings as per decision of the Annual General Meeting: | | | | |
| Balanced on a new account | | -37 194 510 | 37 194 510 | 0 |
| New issue | 154 317 | | | 154 317 |
| Reduction of share capital | -44 016 095 | 44 016 094 | | -1 |
| Shareholders' contributions received | | 8 | | 8 |
| Profit/loss for the year | | | -362 791 | -362 791 |
| Amount at the closing of the year | 3 726 511 | 24 | -362 791 | 3 363 744 |

Allocation of profits

The Board of Directors recommends that the accumulated loss (EUR):

| | |
|--------------------------------------|----------|
| profit carried forward | 24 |
| year's loss | -362 791 |
| | -362 767 |
| be processed so that carried over | -362 767 |
| | -362 767 |

The company's earnings and financial position in general are indicated in the following income statement and balance sheet with notes.

| Income Statement | Note 1 | 2022-04-01 -2023-03-31 | 2021-04-01 -2022-03-31 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Operating expenses | | | |
| Other external costs | | -67 194 | -96 381 |
| Personnel costs | 2 | 0 | 0 |
| Total operating costs | | -67 194 | -96 381 |
| Operating profit/loss | | -67 194 | -96 381 |
| Financial Items | | | |
| Profit/loss from participations in associated companies and jointly controlled entities | | 1 033 | 2 174 |
| Other interest income and similar profit/loss items | | 738 | 0 |
| Write-downs of financial fixed assets and short-term investments | | -298 266 | -37 098 657 |
| Interest expense and similar profit/loss items | 3 | 898 | -1 646 |
| Total profit/loss from financial items | | -295 597 | -37 098 129 |
| Profit/loss after financial items | | -362 791 | -37 194 510 |
| Pre-tax profit/loss | | -362 791 | -37 194 510 |
| Net profit/loss for the year | | -362 791 | -37 194 510 |

Balance Sheet

Note
1

2023-03-31

2022-03-31

ASSETS

Fixed assets

Financial assets

| | | | |
|---|---|------------------|------------------|
| Participations in associated companies and jointly controlled companies | 4 | 3 276 322 | 3 249 831 |
| Receivables from associated companies and jointly controlled companies | 5 | 0 | 56 114 |
| Total financial assets | | 3 276 322 | 3 305 945 |
| Total fixed assets | | 3 276 322 | 3 305 945 |

Current assets

Current receivables

| | | |
|--------------------------------------|---------------|----------------|
| Receivables from group companies | 15 000 | 324 756 |
| Deferred expenses and accrued income | 9 736 | 8 907 |
| Total current receivables | 24 736 | 333 663 |

Cash on hand and in bank

| | | |
|---------------------------------------|----------------|----------------|
| Cash on hand and in bank | 101 942 | 10 703 |
| Total cash on hand and in bank | 101 942 | 10 703 |
| Total current assets | 126 678 | 344 366 |

| | | | |
|---------------------|--|------------------|------------------|
| TOTAL ASSETS | | 3 403 000 | 3 650 311 |
|---------------------|--|------------------|------------------|

Balance Sheet

Note
1

2023-03-31

2022-03-31

EQUITY AND LIABILITIES

Equity

Restricted reserves

| | | |
|---------------|-----------|------------|
| Share capital | 3 726 511 | 47 588 289 |
|---------------|-----------|------------|

| | | |
|----------------------------------|------------------|-------------------|
| Total restricted reserves | 3 726 511 | 47 588 289 |
|----------------------------------|------------------|-------------------|

Non-restricted equity

| | | |
|-------------------------|----|------------|
| Accumulated profit/loss | 24 | -6 821 568 |
|-------------------------|----|------------|

| | | |
|--------------------------|----------|-------------|
| Profit/loss for the year | -362 791 | -37 194 510 |
|--------------------------|----------|-------------|

| | | |
|--------------------------------------|-----------------|--------------------|
| Total non-restricted reserves | -362 767 | -44 016 078 |
|--------------------------------------|-----------------|--------------------|

| | | |
|---------------------|------------------|------------------|
| Total equity | 3 363 744 | 3 572 211 |
|---------------------|------------------|------------------|

Current liabilities

| | | |
|------------------|--------|---|
| Accounts payable | 22 336 | 0 |
|------------------|--------|---|

| | | |
|-------------------|---|--------|
| Other liabilities | 0 | 57 147 |
|-------------------|---|--------|

| | | |
|--------------------------------------|--------|--------|
| Accrued expenses and deferred income | 16 920 | 20 953 |
|--------------------------------------|--------|--------|

| | | |
|----------------------------------|---------------|---------------|
| Total current liabilities | 39 256 | 78 100 |
|----------------------------------|---------------|---------------|

TOTAL EQUITY AND LIABILITIES

3 403 000

3 650 311

Notes

Note 1 Accounting principles

General Information

The annual report is prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board (BFNAR 2016:10) Annual Reporting in Smaller Companies.

Definition of Key Business Ratios

Net turnover

Main operating revenues, invoiced expenses, side income and revenue adjustments.

Profit/loss after financial items

Profits after financial items and costs but before appropriations and taxes.

Balance sheet total

Company's gathered assets.

Equity/assets ratio (%)

Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the balance sheet total.

Note 2 Average number of employees

| | 2022-04-01 -2023-03-31 | 2021-04-01 -2022-03-31 |
|-----------------------------|---------------------------|---------------------------|
| Average number of employees | 0 | 0 |

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

Note 3 Other interest income and similar profit/loss items

| | 2022-04-01 -2023-03-31 | 2021-04-01 -2022-03-31 |
|---------------------------|---------------------------|---------------------------|
| Exchange rate differences | -898 | 1 645 |
| | -898 | 1 645 |

Note 4 Participation in associated companies and jointly controlled companies

| | 2023-03-31 | 2022-03-31 |
|---|--------------------|--------------------|
| Acquisition value, opening balance | 46 607 109 | 46 607 109 |
| Issue of shares | 324 757 | 0 |
| Accumulated acquisition value, closing balance | 46 931 866 | 46 607 109 |
| Write-down losses, opening balance | -43 357 278 | -6 258 621 |
| Write-downs for the year | -298 266 | -37 098 657 |
| Accumulated write-down losses, closing balance | -43 655 544 | -43 357 278 |
| Book value, closing balance | 3 276 322 | 3 249 831 |

Note 5 Receivables from associated companies and jointly controlled companies

| | 2023-03-31 | 2022-03-31 |
|---|-------------------|-------------------|
| Acquisition value, opening balance | 56 114 | 56 114 |
| Outgoing accounts | -56 114 | |
| Accumulated acquisition value, closing balance | 0 | 56 114 |
| Book value, closing balance | 0 | 56 114 |

Note 6 Significant events after the financial year

Since balance sheet date no events occurred, which would change the financial position of the Company and which would require adjustments of or disclosure in the financial statements now presented.

Stockholm on 10 May 2023



Biswabrata Lahkar
Chairman



Marina Stubbing



Gösta Lidén



Harish Madhav

Our audit report was submitted on 11 May 2023

Ernst & Young



Stefan Andersson Berglund
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Oil India Sweden AB, corporate identity number 556794-0530

Report on the annual accounts

Opinions

We have audited the annual accounts of Oil India Sweden AB for the year 2022-04-01--2023-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Oil India Sweden AB as of March 31, 2023 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

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

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 Oil India Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Emphasis of matter regarding contingent liabilities

We would like to draw attention to the section "General Information about the Enterprise in the annual report" which describes the movements linked to investment in Petrocarabobo S.A., Venezuela, as per 31 March 2023. The section shows that, in view of the current political and economic situation in Venezuela, there is considerable uncertainty as to and when the situation in the country will improve in such a way that the outcome of the investment in Petrocarabobo S.A. is expected to be met. In order to secure the investment for the company, the ultimate parent companies, Indian Oil Corporation Limited and Oil India Limited, have exhibited a guarantee regarding the investment in Petrocarabobo S.A. and the Signature bonus agreement. We have not modified our opinion because of this.

Responsibilities of the Board of Directors

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

In preparing the annual accounts, the Board of Directors is responsible for the assessment of the company'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 not applied if the decision has been taken to discontinue the operations.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual 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.

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

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. 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 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 or, if such disclosures are inadequate, to modify our opinion about the annual 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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, we have also audited the administration of the Board of Directors of Oil India Sweden AB for the year 2022-04-01--2023-03-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company'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 financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

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

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

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

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

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

Stockholm, 11 May 2023

Ernst & Young AB



Stefan Andersson Berglund
Authorized Public Accountant