ANNUAL REPORT 2023

PETROSIBIR AB

556468-1491

Directors' report

Operations

Petrosibir AB (publ.) with corporate identification number 556468-1491 is a Swedish company with oil and gas exploration and production operations in Russia.

These operations are conducted through the wholly owned subsidiary JSC Ingeo Holding. Ingeo Holding is the holder of the production licences for Ayazovskoye and Ayskoye oil fields, and through the 51% owned subsidiary LLC Company Ufa Petroleum, the holder of exploration and production licences for Suyanovskoye and Aysky blocks, in Bashkiria, a constituent republic in the Russian Federation. The Company started producing oil in Bashkiria in 2011.

Petrosibir also has a 49% ownership in oil and gas operations in Komi, a constituent republic in the Russian Federation. The shareholding in the Komi operations is held via the wholly owned Cypriot company Sonoyta Ltd ("Sonoyta") which in turn holds 49% of the Cypriot company Ripiano Holdings Ltd ("Ripiano"). Ripiano owns 100% of the operations in Komi.

Current geopolitical situation

Throughout 2023 the domestic oil market in Russia was under pressure due to various restrictions imposed on the Russian export of oil to traditional markets. The oil revenues were further hit by the EU embargo on oil and oil products that came in force in February 2023 pushing the Urals to Brent discount up to 30-35 $/bbl. There are now signs of reducing discounts to the level of 12-15$/bbl, but the price and demand volatility and uncertainty remain high.

A number of sanctions by the EU and counter sanctions introduced by Russia continue to indirectly affect Petrosibir and its operations. The number of banks able to perform cross-border transactions between EU and Russia have decreased significantly and transfers from the Russian subsidiaries to the parent company Petrosibir are becoming increasingly more difficult. Regulations implemented by Russia prohibit any type of transfers between the subsidiaries and Petrosibir other than repayment of intragroup loans. However, these payments are required to be in RUB and not more than RUB 10MM (circa $125K) per month.

Being a Swedish company Petrosibir is currently banned by the EU from any investment, both equity and debt, into the Russian oil and gas sector that makes it impossible to explore and develop the assets, i.e. without new production wells the subsidiaries' production and revenues will continue declining.

Management continuously and carefully monitors the development of the situation to ensure the Company's survival in the current turbulent environment and at the same time the full compliance with all applicable sanctions and laws.

Significant events during the year

In 2023 the Company produced 65,357 barrels of oil in Bashkiria compared to 80,199 barrels in the preceding year due to natural production decline. This corresponds to the average production of 179 (220) barrels per day. The accelerated pace of decline ca. -19% year over year is caused by continued depletion of the fields and lack of new production wells due to the current restrictions.

Oil trading (the sale of 3rd party crude oil) continued during the year and contributed SEK 9.1MM to the Company's net income.

Throughout 2023 the oil and gas market in Russia was volatile and highly unpredictable, being under pressure from mutual financial restrictions and an unprecedented number of sanctions imposed by both EU and Russia starting in 2022 and further strengthening in 2023. As a result, in 2023 the Company reviewed the valuation models of the assets and performed impairment tests for both Bashkiria and Komi. With the view that the above restrictions may be in place for an indefinite period in combination with poor economic performance of the oil fields, and no access to capital required to drill new wells and improve cash flows, the Company recognised full impairment of the Bashkirian assets of SEK 2,006 thousand. Full writedown of investments in Ripiano (holding company for 49% share of assets in Komi) was reflected earlier in 2022.

As a result of significant impairments during mid-2022, the parent company Petrosibir AB's equity decreased to less than half of the registered share capital. This deficit required the company to prepare a balance sheet for liquidation purposes, which was published on October 19, 2022, and presented to shareholders during an extraordinary general meeting ("EGM") on November 23, 2022. During the EGM, shareholders had to decide whether to continue operations or liquidate the company. Shareholders unanimously chose to continue operations and approved the board's proposal to reduce the registered share capital to 500,000 SEK.

According to legal requirements, Petrosibir was obligated to present a second balance sheet for liquidation purposes within 8 months from the date of the first one, demonstrating that the deficit in equity compared to the registered share capital had been fully restored. In March 2023, the Swedish Companies Registration Office (Bolagsverket) granted permission for Petrosibir to reduce the registered share capital, and the reduction was executed. Simultaneously, in April 2023, the subsidiary Sonoyta reduced its share premium for payment to the parent company Petrosibir. The claim arising from the reduction was offset against an intra-group claim that Sonoyta held against Petrosibir. After this offset, Petrosibir's equity became positive again, which, together with the reduction of share capital in Petrosibir AB, resolved the equity deficit.

The second balance sheet for liquidation purposes, as of April 30, 2023, was presented during the annual general meeting on June 30, 2023.

On June 3, 2023, the company announced in the notice for the annual general meeting that CEO Pavel Tetyakov had made an offer to purchase 100% of the shares in the subsidiary JSC Ingeo Holding and 51% of the shareholding in LLC Ufa Petroleum. This offer came after unsuccessful attempts by the company to divest its Russian assets in 2022 and 2023.

During the annual general meeting held on June 30, 2023, shareholders approved the sale of assets to Pavel Tetyakov. The sale involves shares in JSC Ingeo Holding and LLC UFA Petroleum, which are being sold to Pavel Tetyakov at nominal value (approximately 10,000 RUB and 5,001 RUB, respectively). As part of the agreement, Ingeo Holding and UFA Petroleum committed to repaying a maximum of 30 million RUB of the group's internal loans to Petrosibir AB. The asset sale required regulatory approvals in Russia, which were obtained in February 2024 after a prolonged process of obtaining government approvals in Russia. The transactions were finalized in April 2024.

The Company does not separately report assets held for sale in 2023 financial reporting as all the assets of the Group have been written off yet in 2022 and all the remaining assets by the end of 2023 can be considered as held for sale referring as to the decisions taken during AGM, except for the parent company in Sweden.

Additionally, during the annual meeting, shareholders approved the company's exit from its ownership of 49% in Ripiano Holdings. Following the sale and winding down of Petrosibir's operations in Bashkiria, the company will no longer be able to finance the parent company, Petrosibir AB, through continuous loan repayments—which has historically been the source of funding for the parent company. Several unsuccessful attempts to sell the 49% stake in Ripiano have been undertaken and it is unlikely that any value can be recovered under the current market conditions. The majority owner of Ripiano has indicated an intention to transfer the assets to Russia. It remains unclear whether Petrosibir AB, considering existing sanctions regulations, will be able to participate in the new corporate structure.

Petrosibir is currently in contact with a buyer, and the process of transferring the assets is ongoing. The sale involves the transfer of the subsidiary Sonoyta at a price of 5,000 EUR. Pursuant to the agreement, Petrosibir provides very limited warranties and representations, and the buyer assumes all financial and legal risks associated with the shareholding.

No material investments were done throughout 2023 due to lack of financing opportunities, only minimum required projects updates have been performed to secure licences validity continuation for a short run.

Financial position

As of 31 December 2023 the Group had cash and cash equivalents amounting to SEK 27.3 million (23.4). The equity/assets ratio was 20 (10) percent. The equity in the Group amounted to SEK 7.0 (3.4) million, equal to SEK 0.24 (0.12) per share.

Result

Total revenue for the period January – December 2023 amounted to SEK 53 million (65) of which SEK 44 million (58) relates to revenue from the sale of our own oil. The average Brent price of 1 barrel of oil was USD 82 in 2023 compared to USD 98 in the prior year. In Bashkiria the volume of our own oil sold amounted to 66,010 (80,088) barrels in 2023, while the production amounted to 65,357 barrels (80,199). The average daily production in 2023 amounted to 179 (220) barrels. The gross revenue from oil trading amounted to SEK million 135 (103) and the costs to SEK million -126 (-96), i.e. the net of SEK 9.1 million (7.3). The Company reports the revenue from oil trading on a net basis in the income statement.

The operating costs in 2023 amounted to SEK million -52 (-284) and included production taxes in relation to produced volumes and oil price. The costs also include the impairment of O&G exploration and fixed assets in Bashkiria in the amount of SEK million -2 (-215). Excluding production taxes and impairment related costs the operating costs amounted to SEK million -23 (-29). The company promotes strict cost management culture and continues optimising the controllable costs of the group. Thus, in the middle of 2023 the Company released chief engineer and chief geologist by redistributing their duties among the organization. The operating results excluding impairments and writeoff costs in 2023 was SEK million 3.2 (-2.4).

Operating result amounted to SEK million 1.1 million (-218.6).

Net income amounted to SEK million 1.9 (-199.9).

Cash flow

Cash flow, excluding exchange differences on cash, amounted to SEK million 9.6 (-2.2). Investments in the oil and gas assets in 2023 consisted only of the projects update to secure licences of the Company. The investments have been financed from the operational cash flow.

Capitalised investments amounted to SEK million 0.1 (3.8) and are reported in cash flow from investment activities. Cash balance at the end of the year amounted to SEK million 27.3 (23.4).

Komi

Petrosibir owns 49% of the shares in Ripiano Holdings Ltd (“Ripiano”) who in turn owns 100% of two operating companies in Komi in Russia. The companies are called Dinyu (owned 100% by Ripiano) and CNPSEI (owned 99% by Dinyu and 1% by Ripiano). As of 1 November 2018 Petrosibir ceased to report Ripiano as an equity investment and reclassified the investment to investments in equity instruments in the balance sheet in accordance with IAS 28 point 22. The background for this change has been described in earlier annual reports.

In 2023 the Company continued focusing on slowing down production decline. Despite these efforts production decline for the year was -15% in line with 2022.

A tough economic situation and lower production levels led to suspension of drilling plans. The next stage of the drilling campaign in Sosnovskoye field is still forecasted post 2025, however, its likelihood is rather low.

Dinyu-Savinoborskoye field has been shut down since April 2020 for economic reasons which prevent restart of operations even at high oil prices due to very small anticipated production. The company does not consider relaunch of the field in foreseeable future.

Financial results of the Komi operations remain challenging, both companies accounted losses in 2023 and have large debt to Pechoraneftegaz, the company controlled by the majority shareholder of Ripiano.

Investments / Disposals

The investments in oil and gas assets amounted to approximately SEK million 0.1 (3.8) and are purely related to the legally required projects updates for securing the licences of the Company. The investments have been capitalised on the balance sheet. Cost for workovers in Bashkiria have been expensed in the income statement.

Employees

The average number of full-time Group employees during the financial year was 30 (35).

Risks

The Group is exposed to several different risks, such as those connected with the business, the markets, political and country-related risks. The Group has implemented risk management structures and control procedures in order to establish calculations, assessments and management of these exposures and related risks. For a more detailed description of the above risks, please see note 1, section Risk management.

Environmental issues

Petrosibir´s operations are subject to a number of laws and requirements concerning health, safety and environment, which trigger costs in order to adapt to and comply with these requirements and laws. The Group's subsidiaries are also subject to regular environmental inspections by the authorities and must also limit the discharge of environmentally harmful substances. See also section Environmental rules in note 1.

The work of the Board

Petrosibir's Board of Directors consists of three members including the Chairman. The AGM 2023 elected a Board consisting of Timofei Kotenev (Chairman), Maxim Korobov and Jesper Sevelin (also Deputy CEO). During the financial year 2023 the board had several board meetings. In addition, the Board has been in regular contact regarding the Company's operations and its development.

Future development

AGM on 30 June 2023 approved sales of 100% assets in Russia to the Managing Director of the Company Mr. Pavel Tetyakov. The AGM also approved exit of Ripiano related assets on the balance of Sonoyta subsidiary of the Company in Cyprus. The terms for those decisions were later approved by the Board, and the transactions are to be all closed in the first half of 2024. More information on the offer and the decision items of the Annual General Meeting can be found in note 23 of subsequent events on page 49.

Shares and ownership structure

Shares in Petrosibir are of series A and series B, where each share of series A has 10 votes and each share of series B has one vote. The Company's shares of series B are traded OTC at beQuoted under the ticker PSIB-B. the total number of shares and votes and the 10 largest shareholders sorted by capital as of 31 March 2024 are outlined in the tables below.

	Series A	Series B	Total
Number of shares	761 900	29 011 962	29 773 862
Number of votes	7 619 000	29 011 962	36 630 962

Shareholders	A-shares	B-shares	Capital %	Votes %
Natlata Partners Ltd*	611 790	8 234 196	29,7%	39,2%
Avanza Pension	0	1 510 095	5,1%	4,1%
Hogstromsgatans Forvaltning AB	0	1 086 028	3,6%	3,0%
Euroclear Bank S.A/N.V, W8-IMY	0	958 295	3,2%	2,6%
SEB AB, Luxembourg Branch	0	891 499	3,0%	2,4%
Credit Suisse AG, Zurich	0	649 816	2,2%	1,8%
Björn Furst	0	379 601	1,3%	1,0%
Patrik Svensson	0	321 134	1,1%	0,9%
Thomas Rolfes	0	304 750	1,0%	0,8%
Bostadsrättsbyggarna	0	300 768	1,0%	0,8%
Other shareholders	150 110	14 431 740	49,0%	43,5%
Total	**761 900**	**29 011 962**	**100%**	**100%**

*Maxim Korobov, Director in Petrosibir AB, is the ultimate beneficial owner of Natlata Partners Ltd

Annual General Meeting

The Annual General Meeting will be held on 7 June 2024 at the Company's premises on Nybrogatan 34 in Stockholm.

Financial overview

The Group	2023	2022	2021	2020
Revenue from continuing operations, SEK th	53,309	65,306	63,529	39,284
Operating result continuing operations, SEK th	1,183	-218,621	-791	-642
Earnings per share, continuing operations, SEK	0.07	-6.71	-0.09	0.00
Equity per share, SEK	0.24	0.12	7.25	6.95
Equity / assets ratio, %	20	10	80	86

The parent company

The Swedish parent company Petrosibir AB is a public company and holding company for the Company's operational subsidiaries. The parent company is responsible for joint Group functions, such as operations and finance, and during the year had two employees. The parent company's net turnover was SEK 0 thousand (0) and the net income amounted to SEK thousand 51 279 (-215,140). The positive result is related to the reduction of share premium for payment to Petrosibir in the subsidiary Sonoyta. The dividend debt that was generated was immediately set off against an intra group debt owed by Petrosibir to Sonoyta. Equity amounted to SEK thousand 5 683 (-45,597).

Proposal for the accumulated profit

At the disposal of the AGM (all SEK)	
Share premium reserv	287 210 934
Fair value fund	-13 695 026
Retained earnings	-319 612 836
Result for the year	51 278 636
	5 181 708

The Board proposes:

To be carried over	**5 181 708**

For further information concerning the Group's results and position, we refer to the following Statement of comprehensive income and Statement of financial position with related supplementary disclosures. For the parent company results and financial position, see the following Income statement and Balance sheet with related supplementary disclosures.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	Not	2023	2022
Revenue	2	53,309	65,306
Operating costs			
Supplies and necessities		-27,403	-38,753
Other external costs	4	-13,211	-17,359
Personnel	3	-8,344	-10,432
Depreciation and amortization of tangible and intangible assets	8, 9	-1,162	-2,159
Disposal/Writedown	9	-2,006	-215,223
Total operating costs		**-52,126**	**-283,926**
Operating result		**1,183**	**-218,621**
Result from financial items			
Financial income	5	2,732	5,332
Financial costs	6	-1,773	-2,986
Total financial items		**959**	**2,346**
Result before tax		**2,142**	**-216,275**
Tax	7	-202	16,393
Net income		**1,939**	**-199,882**
Profit / -loss attributable to:			
Owners of the parent company		1,939	-199,882
Other comprehensive income			
Revaluation of investments in equity instrumen	10, 16		-73,698
Translation differences	16	1,588	32,247
Total items that can or have been transferred to net incom		**1,588**	**-41,451**
Total comprehensive income		**3,527**	**-241,333**
Total comprehensive income attributable to:			
Owners of the parent company		3,527	-241,333
Non-controlling interests			
Earnings per share	22	0.07	-6.71
Average number of shares		29,773,862	29,773,862

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK thousand	Not	2023	2022
ASSETS			
Non-current assets			
Exploration and evaluation assets	8	0	0
Oil and gas assets	8	0	0
Machinery & Equipment	9	0	0
Investment in Equity instruments	10	0	0
Total non-current assets		**0**	**0**
Current assets			
Inventory	11	863	1 136
Accounts and other receivables	12	6 496	8 807
Prepaid expenses		46	208
Cash and cash equivalents		27 347	23 437
Total current assets		**34 753**	**33 589**
TOTAL ASSETS		**34 753**	**33 589**
EQUITY AND LIABILITIES			
Equity	15		
Share capital		500	180 806
Other paid in capital		303 240	303 240
Reserves	16	-176 968	-178 556
Retained earnings		-119 772	-302 018
Total equity attributable to the shareholders		**6 999**	**3 472**
Non-current liabilities			
Non-current loans	17	10 318	11 872
Deferred tax	7		
Provisions	18	794	886
Total non-current liabilities		**11 111**	**12 758**
Current liabilities			
Current loans	17	1 373	4 237
Accounts payable		5 681	5 421
Tax liabilities		40	42
Other liabilities	13	7 691	5 619
Accrued expenses	14	1 857	2 040
Total current liabilities		**16 642**	**17 358**
TOTAL EQUITY AND LIABILITIES		**34 753**	**33 589**
Contingent liabilities	20	See note	See note

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK thousand	Share capital	Share premium	Fair value fund	Retained earnings	Net equity
Opening balance Jan 1, 2022	**180 807**	**274 379**	**-137 107**	**-102 135**	**215 944**
Comprehensive income					
Net income				-199 882	-199 882
Other comprehensive income					
Revaluation of Equity instruments			-73 698		-73 698
Translation differences			32 247		32 247
Total comprehensive income	**0**	**0**	**-41 451**	**-199 882**	**-241 333**
Contribution		28 861			28 861
Total contribution	**0**	**28 861**	**0**	**0**	**28 861**
Closing balance Dec 31, 2022	**180 807**	**303 240**	**-178 557**	**-302 018**	**3 472**
Opening balance Jan 1, 2023	**180 807**	**303 240**	**-178 557**	**-302 018**	**3 472**
Comprehensive income					
Net income				1 939	1 939
Other comprehensive income					
Reduce of share capital	-180 307			180 307	0
Translation differences			1 588		1 588
Total comprehensive income	**-180 307**	**0**	**1 588**	**182 246**	**3 527**
Contribution		0			0
Total contribution	**0**	**0**	**0**	**0**	**0**
Closing balance Dec 31, 2023	**500**	**303 240**	**-176 969**	**-119 771**	**6 999**

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK thousand	Not	2023	2022
Cash flow from operating activities			
Result after financial items		2,142	-216,275
Adjustment for non-cash items			
Depreciation	8, 9	1,162	2,159
Other items		3,184	215,190
Taxes paid		-269	-373
Cash flow from operating activities before changes in operating capital		**6,219**	**702**
Cash flow from changes in operating capital			
Increase (-)/Decrease (+) in inventory		47	-351
Increase (-)/Decrease (+) in current receivables		770	-5,151
Increase (-)/Decrease (+) in current liabilities		2,997	3,426
Cash flow from operating activities		**10,033**	**-1,374**
Cash flow from investing activities			
Acquisition of oil and gas assets	8, 9	-87	-3,774
Disposal of financial assets			
Cash flow from investing activities		**-87**	**-3,774**
Cash flow from financinging activities			
Repayment (-) / proceeds (+) from loans		-283	2,922
Cash flow from financinging activities		**-283**	**2,922**
CASH FLOW FOR THE YEAR		**9,662**	**-2,227**
Cash and cas equivalents at the beginning of the year		23,437	21,025
Exchange difference		-5,752	4,640
Cash and cas equivalents at the end of the year		**27,347**	**23,437**
Supplementary information to the cash flow			
Components that are included in cash and cash equivalents: Cash anc		27,347	23,437
Received interest income		2,703	3,249
Paid interest expenses		-824	-2,986

STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY

SEK thousand	Not	2023	2022
Net turnover	2	0	0
Total revenue		**0**	**0**
Operating costs			
Net result of operation with subsidiaries			
Other external costs	4	-2 252	-2 712
Personnel	3	-2 842	-2 821
Total operating costs		**-5 094**	**-5 533**
Operating result		**-5 094**	**-5 533**
Result from financial items			
Interest income and similar items	5	56 970	8 388
Interest expense and similar items	6	-597	-1 745
Impairment financial assets	25	0	-216 251
Total financial items		**56 373**	**-209 607**
Result before tax		**51 279**	**-215 140**
Tax	7		0
Net income		**51 279**	**-215 140**
Translation differences		0	11 470
Total comprehensive income		**51 279**	**-203 669**

STATEMENT OF FINANCIAL POSITION, PARENT COMPANY

SEK thousand	Not	2023	2022
ASSETS			
Non-current assets			
Shares in Group companies	25		0
Loans to Group companies		2 256	5 401
Total non-current assets		**2 256**	**5 401**
Current assets			
Receivables from Group companies		264	190
Other receivables	12	92	141
Prepaid expenses		46	208
Total current receivables		**403**	**539**
Cash and cash equivalents		4 388	1 133
Total current assets		**4 791**	**1 672**
TOTAL ASSETS		**7 047**	**7 073**
EQUITY AND LIABILITIES			
Equity	15		
Restricted equity			
Share capital		500	180 807
Total restricted equity		500	180 807
Non-restricted equity			
Share premium reserve		287 211	287 211
Fair value fund		-13 695	-13 695
Retained earnings		-319 613	-284 780
Net income		51 279	-215 140
Total non-restricted equity		5 182	-226 404
Total equity		**5 682**	**-45 597**
Non-current liabilities			
Liabilities to Group companies			40 705
Total non-current liabilities		**0**	**40 705**
Current liabilities			
Accounts payable		248	143
Other liabilities	13	119	36
Accrued expenses	14	999	11 787
Total current liabilities		**1 365**	**11 966**
TOTAL EQUITY AND LIABILITIES		**7 046**	**7 073**
Pledged collateral	20	See note	See note
Contingent liabilities	20	See note	See note

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY

SEK thousand	Share capital	Share premium	Fair value fund	Retained earnings	Net income	Total equity
Opening balance Jan 1, 2022	**180 807**	**287 211**	**-25 165**	**-258 352**	**-26 428**	**158 073**
Comprehensive income						
Net income					-215 140	-215 140
Other comprehensive income			11 470			11 470
Total comprehensive income	**0**	**0**	**11 470**	**0**	**-215 140**	**-203 669**
Transactions with shareholders						
Allocation of net income				-26 428	26 428	0
Total transactions with shareholders	**0**	**0**	**0**	**-26 428**	**26 428**	**0**
Closing balance Dec 31, 2022	**180 807**	**287 211**	**-13 695**	**-284 780**	**-215 140**	**-45 596**
Opening balance Jan 1, 2023	**180 807**	**287 211**	**-13 695**	**-284 780**	**-215 140**	**-45 596**
Comprehensive income						
Net income					51 279	51 279
Reduce share capital	-180 307			180 307		0
Other comprehensive income						0
Total comprehensive income	**-180 307**	**0**	**0**	**180 307**	**51 279**	**51 279**
Transactions with shareholders						
Allocation of net income				-215 140	215 140	0
Total transactions with shareholders	**0**	**0**	**0**	**-215 140**	**215 140**	**0**
Closing balance Dec 31, 2023	**500**	**287 211**	**-13 695**	**-319 612**	**51 279**	**5 683**

STATEMENT OF CASH FLOWS, PARENT COMPANY

SEK thousand	Not	2023	2022
Cash flow from operating activities			
Result after financial items		51 279	-215 140
Adjustment for non-cash items			
Impairment charges financial assets		-4 654	199 910
Other	5	-51 791	-525
Cash flow from operating activities			
before changes in operating capital		**-5 166**	**-15 755**
Cash flow from changes in operating capital			
Increase (-)/Decrease (+) in current receivables		136	2 022
Increase (-)/Decrease (+) in current liabilities		197	11 101
Cash flow from operating activities		**-4 833**	**-2 632**
Cash flow from investing activities			
New loans to Group companies		0	0
Repaid loans from Groupd companies		8 088	1 183
Cash flow from investing activities		**8 088**	**1 183**
Cash flow from financing activities			**0**
CASH FLOW FOR THE YEAR		**3 255**	**-1 449**
Cash and cas equivalents at the beginning of the year		1 133	2 582
Cash and cas equivalents at the end of the year		**4 388**	**1 133**
Supplementary information to the cash flow			
Received interest income		0	0
Paid interest expenses		0	-3

NOTES

General information
Petrosibir AB (parent company), and its subsidiaries (collectively, the Group) are active in the sector of oil & gas exploration and production with operations in Russia.

The parent company is a public limited liability company. Its registered office is in Stockholm, Sweden. The address of the head office is P.O. Box 5216, 102 45 Stockholm. The Company's share is traded OTC at beQuoted under the ticker PSIB-B.

On 17 May 2024 the Board has authorised the consolidated accounts for publication. The consolidated statement of comprehensive income and financial position will be presented to the Annual General Meeting for adoption on 7 June 2024.

NOTE 1

Accounting and valuation principles, basis for preparation of the annual report
The consolidated accounts are based on the historical acquisition cost, apart from certain financial instruments which are reported at fair value in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The principles have been applied consistently for all the years presented, unless otherwise stated. All amounts are reported, unless otherwise stated, in thousands of Swedish krona (SEK).

During AGM held on 30 June 2023 the shareholders accepted resolution to divest subsidiaries in Russia by selling them to Managing Director of the Company Mr. Pavel Tetyakov and also dispose subsidiary in Cyprus Ripiano Holdings Ltd. The Company does not separately report assets held for sale in 2023 financial reporting as all the assets of the Group have been written off yet in 2022 and all the remaining assets by the end of 2023 can be considered as held for sale referring as to the decisions taken during AGM, except for the parent company in Sweden.

Basis of preparation
The consolidated accounts have been prepared in accordance with IFRS, International Financial Reporting Standards, and the interpretations issued by the IFRS Interpretations Committee, as endorsed by the EU, and in accordance with the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Boards recommendation RFR 1 Supplementary Accounting Rules for Groups.

The parent company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554), and with the application of the Swedish Financial Accounting Standards Council Recommendation RFR 2 Reporting of Legal Entities. RFR 2 requires the parent company, in the annual report for the legal entity, to apply all the IFRS endorsed by the EU, provided it is possible within the framework of the Annual Accounts Act, and with due regard to the relation between accounting and taxation. The recommendation defines what exceptions and additions are to be made in relation to IFRS.

Shares in subsidiaries are reported at acquisition cost unless otherwise stated. The consolidated accounts have been prepared in accordance with the acquisition method and include the parent company and its subsidiaries and equity investments.

Reporting in accordance with IFRS
The preparation of financial statements in conformity with IFRS requires the use of certain critical

accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated accounts, are stated below in the section *Critical accounting estimates and judgements for accounting purposes.*

New or changed accounting standards 2023

None of the new or changed accounting standards that the Group adopted 1 January 2023 have had a significant effect on the consolidated financial statements.

New standards that have not yet been adopted

IASB has published amendments of standards that are effective as of January 1, 2023. The standards have not had any material impact on the financial report. A number of new or amended accounting standards and interpretations have been published and is effective from 2023 or later. None of these are considered to have material impact on Petrosibirs financial statements.

Basis of consolidation

The consolidated accounts have been prepared in accordance with the acquisition method and include the parent company and its subsidiaries. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange.

The cost of acquisition also includes the fair value of all assets or liabilities that are a result of an agreement on conditional purchase price. Acquisition-related costs are recognised when incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is reported directly in the Statement of comprehensive income. Inter-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Associated companies

Associated companies are partly owned entities over which the Group has a significant influence, but not control, over the financial and operating policies. Normally this means a shareholding of between 20% and 50% of the voting rights. Interests in associated companies are recognised in accordance with the equity method in the consolidated financial statements. Under the equity method, the carrying amounts of interests in associated companies correspond to the recognised equity of associated companies, any goodwill and any other remaining fair value adjustments recognised at acquisition date. Petrosibir's share of the associated company's income, adjusted for dissolution of acquired surplus or deficit values, is recognised as a separate item in the consolidated income statement.

Segment

Information about the operating segments is presented in a way that corresponds to the internal reporting given to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function is identified as the Chief Executive Officer. The Group has only one segment - Russia.

Translation of operations in foreign currency

1. *Translation of foreign operations*

The consolidated accounts are presented in SEK, which is the Group's functional and presentation currency. Assets and liabilities in foreign operations are translated to SEK at the exchange rate at the balance sheet date. The income statements are translated at the average exchange rates for the year. Exchange rate differences arising from foreign currency translation of foreign operations are reported as other comprehensive income in the consolidated statement of comprehensive income. There are no currency futures to hedge flows between countries.

2. *Translation of foreign currency*

The functional currency for each entity in the Group is determined with regards to the economic environment in which the entities operate their respective businesses which generally coincides with the local currency in each country. On the balance sheet date, monetary assets and liabilities expressed in foreign currencies are restated at the prevailing currency rates. All exchange rate differences are charged to the income statement except the differences attributable to foreign currency loans which form a hedge of a net investment in foreign operations. These exchange differences are reported as other comprehensive income in the consolidated statement of comprehensive income.

The following exchange rates have been used (preceding year's rates within brackets):

	Balance sheet date rate	Average rate
100 rubles / SEK	11,28 (14,15)	12,54 (15,44)
1 Euro / SEK	11,10 (11,13)	11,48 (10,63)
1 USD / SEK	10,04 (10,44)	10,61 (10,22)

Tangible fixed assets

Oil and gas assets

Oil and gas assets are depreciated using the unit-of-production method. Depreciation is thus based on total production during the year in relation to estimated total proved or probable reserves of oil and gas. No depreciation is made during the exploration and evaluation phase.

Machinery and equipment

Tangible fixed assets are reported at their acquisition cost less accumulated depreciation. The depreciation is based on the estimated useful life of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an assets net selling price and its value in use. The value in use is the value of future cash flows discounted at a rate of interest based on risk-free interest adjusted for the risk associated with the specific asset.

Useful lives

The Group	Years
Office equipment	5-12
Computers	5-8
Software	3-6

Exploration and evaluation assets

Under IFRS 6, the Company is required to establish a principle defining what expenditures should be reported as exploration and evaluation assets and should apply this consistently. Under the standard, exploration and evaluation assets should be valued at cost. The Group reports its exploration and evaluation assets using the Full Cost Method. This method means that all expenditures for the acquisition of concessions and licences, as well as on exploration, drilling, and the evaluation of such interests, should be capitalised. Under IFRS 6, exploration and evaluation assets are classified as either tangible or intangible assets, depending on the nature of the assets acquired, and the classification must be applied consistently. Under the standard, after initial recognition, either the acquisition value or the restatement method must be applied to the exploration and evaluation assets. The Group applies the acquisition method, which means that the accounting is done at cost, less any accumulated depreciation and any accumulated impairment losses.

The Group reports its capitalised exploration and evaluation assets as described below. Once the technical and commercial feasibility of extracting oil or gas can be demonstrated, the classification as exploration and evaluation assets ceases, and the assets are, instead, reclassified to Oil and gas assets.

Reporting, evaluation and depreciation of exploration and evaluation assets

Capitalised exploration and evaluation expenditures are classified as intangible or tangible assets in accordance with IFRS 6. Exploration and evaluation assets are reported at cost, less any impairment losses. Capitalised exploration and evaluation assets relate to the following:

- Acquisition of exploration rights.
- Exploration expenditures - relates to capitalised expenditures for seismic, geophysical, geological and other surveys.
- Drilling - refers to capitalised expenditures for drilling wells and drilling for oil.
- Technical installations - refers to capitalised expenditures to be able to drill for oil.
- Equipment - refers to capitalised expenditures for fittings, computers and other technical equipment.

All expenditure for the acquisition of concessions, licences or shares in production sharing agreements, and for investigating, drilling and expanding these, is capitalised in separate cost centers, one for each field. Each field covers one deposit.

Depreciation

Exploration and evaluation assets are not depreciated. Instead, there is an assessment as to whether there is an impairment loss. For further information, please see the section Impairment losses below.

Impairment

The Group assesses its intangible assets, its exploration and evaluation assets, and its oil and gas assets for any impairment loss in the light of events or changed circumstances indicating that the reported values of the assets cannot be justified. Such indications comprise changes in the Group business plans, changes in raw material prices leading to lower revenues and, for oil and gas holdings, a reduction of the estimated quantities of reserves. The test for impairment loss is done in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources, and IAS 36, Impairment of Assets. The assessment of an impairment loss is done for each cash-generating unit which corresponds to each licence and concession right, as well as the oil and gas assets owned by the Group. A cash-generating entity therefore corresponds to each separately acquired licence and concession right, plus a proportion of the oil deposits in each country where the Group operates its exploration and extraction business. The assessment of an impairment loss means that the cash-generating entity's carrying value is compared with the recoverable amount for the assets, which in turn is the higher of the net realizable value and the value in use. The value in use of these assets is the present value of future cash flows discounted at a rate of interest based on risk-free interest adjusted for the risk associated with the specific asset. If it is not possible to determine substantial independent cash flows for a particular asset, then in the test for any impairment loss, the assets are grouped to the lowest level where it is still possible to identify substantial independent cash flows (a cash-generating entity). An impairment loss is recognised when an asset, or a cash-generating entity's reported value, exceeds its value in use. An impairment loss is charged to the income statement. Impairment testing is carried out at least once a year in order to establish that the values for capitalised expenditure can be justified by the expected future net flows from oil and gas reserves which can be attributed to the Group's interests in the fields concerned.

Reversal of impairment charges

At least once a year, there is an assessment as to whether there are any indications that previously recognised impairment losses are no longer justified or have reduced in scale. If there are such indications, a new estimate is made of the recoverable amount.

A previously recognised impairment loss is only reversed to the extent that the recognised value of the asset after reversal does not exceed the recognised value the asset would have had if no impairment loss had been recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount.

After a reversal, the depreciation over future periods is adjusted in order to distribute the asset's recognised book value over the asset's remaining expected production life.

Reclassification and depreciation

Once the technical and commercial feasibility of extracting oil or gas assets can be demonstrated, the capitalised exploration and extraction expenditures are reclassified as tangible oil and gas assets, or to a separate part of intangible assets, based on their nature. Once the technical and commercial feasibility can be demonstrated, depreciation of the assets is commenced. Depreciation is recognised in line with the year's production, in relation to estimated total proved or probable reserves of oil and gas in accordance with the unit of production method.

Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill are not amortized, but tested annually for impairment. Assets which are amortized are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment is done with the amount of the assets carrying amount that exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of sales and its value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). For assets other than financial assets and goodwill, previously written down, a determination is made at each year-end regarding the reversal that can be done.

Financial instrument

Financial instruments are initially recognised at fair value on the settlement date basis, including any direct transaction costs. Company management determines the classification of the instruments at the first reporting date and reviews this decision at each reporting date. The Group uses derivative instruments only to a limited extent.

The Group has financial instruments in the following categories:

1. *Investments in Equity instruments*

Investments in Equity instruments (previously called Financial assets available for sale) are assets that are not derivatives and that have been identified as being available for sale. Petrosibir sees this as a residual category with the investment of non-current assets that do not fit into any other category. In 2018 shares and other interests in companies, where the Group owns more than 20% of voting rights and capital but does not have significant influence were reclassified to this category. Valuation is at fair value directly to other comprehensive income.

2. *Loans and accounts receivable*

Loans and accounts receivable are non-derivative financial assets with fixed or ascertainable payments not listed on an active market. A distinguishing feature is that they arise when the Group provides money, goods or services directly to the customer without the intention of trading with the receivable thus arising.

Loans and accounts receivable are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment. A provision for impairment of loans and accounts receivable is made when there is objective evidence that the Group will not receive all the amounts falling due under the original terms of the receivables. The size of the provision is determined by the difference between the asset's recorded value, and the present value of estimated future cash flows, discounted by the effective interest rate. The amount of the provision is reported in the statement of comprehensive income.

3. *Other financial liabilities*

Loans and other financial liabilities, such as trade and other payables, are included in this category. The debts are valued at the amortized cost. Debts less than three months are reported at the acquisition cost.

Financial assets and liabilities are offset, and the net amount reported in the balance sheet only when there is a legal right to offset the reported amounts and an intention to settle them on a net basis or to divest the asset and settle the liability at the same time.

The category to which the Group's financial assets and liabilities are attributed is presented in Note 21, Financial Instruments.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, as well as short-term liquid investments with a duration from the time of acquisition of not more than 90 days, and which are exposed to an insignificant risk of fluctuations in value. Short term investment consists of investments with a duration below 90 days.

Borrowings
Borrowings are initially reported at fair value, which represents the amount received with a deduction for any transaction costs, and thereafter at amortized cost. Any premium or discount from the issue is charged over the duration of the loan, using the effective interest rate method and reported as a financial item. Borrowings are classified as current unless the Group has an unconditional right to postpone repayment of the debt at least 12 months after the end of the reporting period.

Borrowing costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use or sale, are reported as part of the acquisition value of such assets. Capitalization ceases when all the activities necessary for preparation of the asset for its intended use or sale are substantially completed.

Financial income accrued while particular borrowed capital is temporarily invested pending use for financing the asset reduces the capitalization of borrowing costs.

All other borrowing costs are expensed as they occur.

Inventory
Inventory is valued at the lowest of the weighted cost of the acquisition and fair value. Fair value is the market value less cost to sell. The cost of the acquisition includes the cost of materials, labor, and certain fixed costs.

Accounts payable
Trade and other payables are reported initially at fair value and subsequently at amortized cost in the Statement of financial position.

Equity
Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Current tax
Current tax is tax that shall be paid and received for the current year, applying the tax rates and legislation that are in force on the date of the balance sheet. Also included are any adjustments to the current tax of previous periods valued at the amount that is expected to be received from or claimed by the tax authority. Current tax receivables and liabilities for each company are reported net in the balance sheet.

Deferred tax
Deferred income tax is reported in full, using the balance sheet method, on temporary differences arising between the tax value of assets and liabilities and their carrying amounts in the consolidated financial statement. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business acquisition that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Provisions

Provision for environmental measures, restructuring costs and legal obligations are reported when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and that the amount has been calculated in a reliable manner. Provisions for restructuring include costs for terminating leases and for severance payments. Provisions are not made for future operating losses.

Remuneration to employees

Pension obligations

Group companies in Sweden and Russia have arranged defined contribution pension plans for employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they fall due.

Revenue

The Group's revenue comes mainly from the sale of crude oil.

Sale of oil

The oil produced in Russia is sold to a network of domestic buyers. Revenue is recognised at fair value when the significant risks and benefits associated with ownership of the goods are transferred to the buyer, when rights of sale transfer to the customer and to the extent to which it is probable that the financial benefits will come to the Group and when revenue can be calculated in a reliable manner. Revenue is reported in the period it refers to.

Oil trading

Except selling own produced oil the Group is also selling crude oil produced by others. The Group's obligation is limited to, such as an agent, ensure that the oil is delivered directly from the producer to the customer. The Group does not control the crude oil. The revenue from oil trading is reported on a net basis in the statement of comprehensive income, which means that the revenue from customers is reduced by the cost of acquiring the crude oil and other costs related to the transaction.

Production taxes

Applicable legislation require that production taxes are paid for the extraction of oil. Production taxes are included in the post supplies and necessities in the consolidated statement of comprehensive income for the group.

Sale of services

Sale of services are reported in the accounting periods in which the services are rendered. Sales of services only take place in the parent company which invoices subsidiaries for certain intra-group services.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Leasing

In accordance with IFRS 16 Leases the standard is not applied to leasing contracts related to exploration for mineral assets, or oil and natural gas deposits and other similar non-renewable natural resources.

Other leasing agreements are reported as right-of-use assets and a corresponding liability on the day the leased asset is available for use. Each lease payment is allocated between repayment of the liability and financial cost. The financial cost is allocated over the leasing period so that each reporting period is charged with an amount equal to the interest rate applicable to the reported liability each period. The right-of-use asset is depreciated over the shorter of the useful life of the asset and the leasing period.

Leasing agreements that are 12 months or shorter and agreements with lower value are expenses on a linear basis in the income statement. The Group does not have any contracts that exceed 12 months.

Risk management

In its line of business, the Group is exposed to several different risks, such as those connected with the business and market, political and country-related risks and financial risks. The Group has implemented risk management structures and control procedures in order to establish calculations, assessments and management of these exposures and related risks.

Risks associated with operations and markets

Risks related to production and exploration licences and permits

The Group's exploration and its current and future production depend on licences and/or permits that are granted by governments and authorities. Applications for future licences and permits may be delayed or rejected and current licences and permits may have restrictions imposed on them or be recalled by the issuing body, thus delaying or stopping the Group's possibility of commercialising a certain area. Even though licences and permits can normally be renewed after they have expired, there is no guarantee that this will happen or on what terms.

The Group's interest in the licences in the Russian republic Komi are not owned by Petrosibir but by other parties. The Group does therefore not alone have influence over the operations on those licences. Since the Group does not have sole control over all licences, the Group is dependent on its partners maintaining or helping to maintain such licences. If the Group or its partners are not considered to have fulfilled their obligations regarding a licence, this may lead to the Group's or its partners' licences being completely or partly withdrawn. The Group may also come into conflict with one or more of its partners if their interests should differ.

The rights and obligations involved in the Group's and its partners' licences may be subject to interpretation and may also be affected by circumstances that lie outside the Group's control. In the event of disputes, it is not certain that the Group's interpretation will prevail or that the Group will be able to validate its rights in other respects, which in turn could have negative effects on the Group.

Maintaining licences is normally subject to certain licence obligations being fulfilled. If the Group or any of its partners should be deemed not to have fulfilled their obligations under the licence or other agreement, this may also lead to the Group's rights in respect of these to be wholly or partially withdrawn, which might involve a negative effect on the Group's future prospects. If a licence holder, on the basis of exploration results and or world economic conditions, should open a discussion with the licensing authority with the intention of reducing licence obligations, there is no guarantee that they will come to agreement and there is therefore always a risk of the Group or its partners losing licences if licence conditions are not fulfilled, which could lead to negative effects on the Group's assets and thereby its prospects.

The Group continually reviews licence agreements to ensure that all terms and conditions of the agreements are fulfilled. The Group also maintains contact with relevant authorities and partners during the licence periods to create favorable conditions for the extension of the Group's licences.

This is however important to note that all licence obligations, among the other requirements, demand licence holder to invest in the licence areas geophysical research and drilling exploration and production wells which are all capital-intensive projects, which the Company is not able to execute without attracting external equity and/or debt financing. At current geo-political environment and corporate structure the Company is unable to attract financing, thus significantly increasing the risk of licences revocation.

Risks in exploring for and producing oil and natural gas

The Group's operations are subject to risks and uncertainties that are associated with companies involved in exploration, development, production, refining, transport and marketing of oil and natural gas. This can involve risks such as fire and explosion when drilling, leakage and spillage of oil and substances that are hazardous to the environment and the loss of heavy equipment. Every one of these risks can result in damage to the Group's oil and natural gas wells, production facilities, other property or the environment, or lead to personal injury. The Group's collection system and processing facilities are also subject to many of these risks. Any major damage to the systems and facilities upon which the Group depends could have a negative effect on the Group's ability to sell its production and thereby on the Group's financial position and future prospects. The Group cannot insure itself completely against these risks. There is a risk that the Group may suffer uninsured losses, which could have a negative effect on the Group's financial position and prospects. The Group has undertaken to comply with Russian environmental legislation, which is both extensive and complex, and it is Petrosibir's policy to comply with the environmental and safety requirements that apply to the market in which the Company operates. The Company's objective is to set an example in minimizing the environmental risks in the Company's exploration program.

Geological risk

There is uncertainty regarding the prognoses of the size of the reserves that can be developed and produced in the future, since all estimates of recoverable oil and natural gas reserves are based on probability. No method exists that can determine with certainty the amount of oil or natural gas to be found in a geological layer below the surface of the earth. Reported reserves are based on estimates that have been made by geologists. These estimates are based on factors such as seismic data, measurement data from existing boreholes, core samples, computer simulation models, actual oil flow and pressure data from existing wells, oil prices, etc. Thus, estimates of oil and natural gas reserves fluctuate over time. There is no guarantee that the estimated reserves or resources as presented will not be amended over time.

If the assessments are reviewed, this may entail an adverse effect on the value of the Group's assets and future prospects of the Group.

The Group manages its geological risks by employing individuals with a high level of geological expertise and by using independent parties to review and confirm the estimates and assessments made by the Group.

Mergers, acquisitions and partners

The Group has acquired assets and companies and may from time to time consider acquiring further assets or companies. Such acquisitions are always subject to risk and uncertainty with regard to counterparties, ownership rights, other rights, assets, liabilities, licences and permits, claims, legal proceedings, the environment and other aspects. Even if the Group takes the precaution of carefully analysing acquisitions, unforeseen problems and events can arise. The risks involved can be greater or more difficult or expensive to analyse and limit in the countries and regions in which the Group is active than would be the case in more developed markets.

The Group has entered into, and may in future be dependent on entering into, agreements with partners for exploration and production. There is a risk that partnership agreements that the Group is currently party to may include unsatisfactory or inadequate conditions, in the event that the Group's interests and those of its partners may come to differ. The Group and its partners may from time to time have different viewpoints on how operations should be run and on what the partners' rights and obligations are. There is no guarantee that the Group's partners will always act in the Group's interests. The Group is also dependent on other operators of fields where the Group is not itself or is not the sole licence holder or operator. In such partnerships, the Group cannot solely influence how operations under the licence are run and there is no guarantee that the Group's partners will fulfill the obligations of the licence or the agreement that has been entered into. In such cases, the Group is thus dependent on, or affected by, how these partners run their businesses. It is not possible for the Group to predict all the risks that might arise in the event that such partners, or their sub-contractors, do not fulfill licence obligations or other obligations.

Risks related to interest in equity investments or interest in other companies

The Group has interests in equity investments where the majority interest is held by another party. Risks and uncertainties are always associated with a minority interest. There is a risk that shareholder agreements are unsatisfactory or contains insufficient provisions, in a case where the interest of the Group and its partners interests differ. The Group and its partners can from time to time have different views on how the operations should be developed and which rights and obligations the parties have. There is no guarantee that the Group's partners will act in the interests of the Group.

Risks related to infrastructure

The Group depends on having an available and functioning infrastructure for the areas where there are operations, such as roads, electricity and water supplies, pipelines and a collection system. If any breakdowns occur to infrastructure or systems, or if these do not meet the Group's needs, the Group's activities may be made considerably more difficult, which may lead to lower production and sales and/or higher costs. The infrastructure could have a negative effect on the Group's operations through stoppages or disturbances, which could lead in turn to lower production or higher costs for the Group.

The Group manages infrastructure risks to some degree through measures such as building new roads or reinforcing existing roads near the licence areas, installing its own power supply, building its own pipelines that can be connected to larger systems, etc.

Sale of oil and gas

The Group's ability to sell its produced oil and gas depends among others on the availability and capacity of collection systems, pipelines and other production and transport systems, the effect of current regulations, prevailing economic conditions and the general availability of and demand for oil. Defects could lead to a reduction in the Group's net income from production and cause a lessening of the Group's operations in oil and natural gas exploration and development.

Price risks for oil and gas

The Group's income and profitability will depend on the prices of oil and natural gas, which are affected by a number of factors outside the Group's control. These factors include market fluctuations in combination with export limitations and taxes, the proximity and capacity of oil and natural gas pipelines and economic and political developments. Market prices of oil and natural gas have historically been volatile, a situation which is expected to continue for the foreseeable future.

The prices may also be directly affected by political decisions.

The unpredictable nature of energy markets, as well as the effects of regional policy and OPEC's influence on these markets and the policies that are applied, make it particularly difficult to predict future price trends for oil and natural gas. Any major and lasting fall in the price of oil or natural gas could have a negative effect on the Group's operations, future prospects and profits. The economic conditions for oil and natural gas production are also changed in the event of lower oil and natural gas prices. A fall in prices could lead to a reduction in the volumes of the reserves that the Group could economically extract, since the Group may cease production from wells if prices fall below a certain level.

These factors could lead to a reduction in the Group's net income from production and cause a lessening of the Group's operations in oil and natural gas exploration and development.

At present, the Group does not hedge the oil price of future sales.

Access to equipment and personnel

The Group's exploration and production operations for oil and natural gas depend on access to drilling and associated equipment, as well as qualified personnel in the areas where such operations are carried out or will be carried out. The Group may also on occasions be dependent on third parties such as drilling and transport companies to implement its business plan. A lack of drilling rigs or personnel or the like could affect the availability of the necessary equipment and personnel for the Group, which could lead to increased costs and thereby affect the Group's profits and delay the Group's exploration and development activities and lead to reduced production, which would in turn have a negative effect on the Group's operations, financial position and position generally.

Significance of key personnel

The Group's future development depends on the knowledge, experience, abilities and commitment of senior management and other key persons. The Group has agreed contracts of employment with such persons on terms that the Group feels are appropriate to the market. If the Group should be unsuccessful in attracting and keeping key personnel, this could have negative consequences for the Group's operations, profits and financial position, for example if the Group were unable to achieve its development goals or strategies.

Limited insurance coverage

In the industries and regions in which the Group operates, it is not possible to obtain well developed insurance cover. The Group therefore cannot guarantee that it has complete insurance coverage for the risks and losses that might affect operations.

The Group manages insurance risks by continually examining insurance possibilities in the regions in which it operates.

Political and country related risks

Through its operations in Russia, the Group is exposed to political risks both nationally and internationally. Due to geopolitical conflicts and differences the EU and the USA have implemented sanctions against Russia and Russia has implemented countersanctions against the EU and the USA. If these sanctions and countersanctions are extended and made stricter in the future they may adversely affect the Group's ability to plan and implement its long-term strategy.

Legal system and legal proceedings

The Group's operations are subject to regulations regarding the environment, safety, health, currency exchange, exports and customs, as well as trade restrictions. Amendments of such regulations may affect the Group's operations and development adversely. In addition, the Group's assets, oil production and exploration activities are located in countries with legal systems that are different from that of Sweden. Exploration rights and related agreements are subject to the laws of Russia where the activities are carried out. Rules, regulations and legal principles can differ both in terms of material law and as regards issues such as court procedures and execution.

This means that the ability of the Group and its partners to exercise or pursue their rights and obligations and to protect and maintain their ownership rights over assets may be different from in Sweden and from what the outcome might have been if these rights and obligations were subject to Swedish law and jurisdiction. There is thus a considerable investment risk in Russia.

The Group's operations and assets are also to a great extent subject to complex laws and regulations and detailed provisions in licences and agreements that are governed by these countries' legislation. This in itself involves a risk in regions where corruption exists both within and outside various forms of the exercise of authority. If the Group should become involved in legal disputes for the purpose of defending or exercising its rights under such licences or agreements or assets, the legal proceedings may be both expensive and time consuming.

The outcome of such disputes is always uncertain. Even if the Group's case is upheld, uncertainty around such disputes and other legal proceedings can have a negative effect on the value of the Group's assets and thereby on the Group and its operations.

Environmental rules

Drilling, production, handling, transport and sale of oil, natural gas and by-products of petroleum are subject to comprehensive regulation in accordance with national and local environmental legislation where the Group currently has its operations. Environmental rules can include restrictions, undertakings and obligations in connection with water and atmospheric pollution, waste handling and requirements for permits and restrictions on operations, as well as costly administrative or legal proceedings and ultimately the closing down of operations in environmentally sensitive areas. Environmental rules can be tightened, leading to increased costs. Also, any charges or other orders against the Group in the event of actual or claimed failures to comply with environmental rules or in the event of accidents could have a negative effect on the Group's operations, future prospects and operating revenues.

Neither is there any guarantee that the Group's present or future partners will fulfill their environmental obligations.

The Group has undertaken to comply with Russian environmental legislation, which is both extensive and complex, and it is Petrosibir's policy to comply with the environmental and safety requirements that apply to the market in which the Company operates. The Company's objective is to set an example in minimizing the environmental risks in the Company's exploration program.

Capital and liquidity risk

The Group's aim for the capital structure is to safeguard the Group's capacity to continue with its business, so that it can generate sufficient yield for the shareholders and benefit other stakeholders, and to maintain an optimal capital structure in order to hold down the cost of capital. Group management manages capital that has not yet been distributed to investors or in operations by investing liquid funds in various credit institutions with a high credit rating and at the best possible return. See note 21 for a description of the Group's financial instruments. As the Group has hitherto mainly raised finance by issuing shares, no target for the debt/equity ratio has yet been set. This policy is continually reviewed as the business develops.

The Group may require external financing to meet costs and finance planned investments. No guarantee can be made that such financing will be available to the Group or, if it is available, that it will be offered on terms that are acceptable to the Group. If further financing is obtained by e.g. issuing shares or convertible bonds, control of the Group may change and the owners' interests in the Group may be diluted. If the Group cannot secure financing on acceptable terms, the Group may need to curb or defer parts of its planned exploration and development activities and may not be able to exploit future acquisition opportunities. This may mean that the Group cannot fulfill working obligations in licence agreements, which may in turn entail that these are terminated early. Since the Group's activities depend on such licences, such a development could have a negative effect on the Group's future prospects.

This may also mean that the Group must divest assets at a time when such realisation is difficult or impossible to complete on acceptable or appropriate terms for the Group. It may thus be impossible for the Group to sell or otherwise realise any available values in the Group at the desired time or indeed at all. If the Group cannot gain access to capital to perform investments, the Group may also need to offer other companies part of the future earnings from a licence against that company assuming costs responsibility for all or part of the work that must be associated with a licence. This would mean that the Group would be able to fulfill any licence obligations and carry out planned investments but could at the same time have a negative effect on the Group's returns and cash flow in the longer term.

There is no guarantee that the Ruble will be liquid or effective methods of payment in the future. Changes in the currency market regulations may have an unfavorable effect on the Group's activities. Furthermore, the Group's liquidity could be affected if the Russian companies had liquidity problems. Russian companies could run into liquidity problems as a result of limited access to domestic savings, few foreign sources of finance, high taxes and limited borrowing.

The Group manages its financial risk by preparing budgets, which it continually monitors and follows up. Planned investments are adapted to the forecasted financial situation.

Impairment risk / Valuation

A large part of the Group's assets is represented by capitalised exploration and evaluation expenditures. The value of these depends on the Group's ability to successfully determine the existence of commercially exploitable oil and gas. The Group also has shareholdings of considerable value that are assessed at fair value. The value of such assets is always subject to uncertainty.

Tax risk and repatriation possibilities

The net value of the Group's assets is greatly affected by the tax status of the Russian subsidiaries. The tax system in Russia is characterised by many taxes that are subject to frequent change and inconsistent application at federal, regional and local level. In addition, the tax authorities have up to three years to perform tax audits on previously submitted income tax returns. Changes in the tax system that are applied retroactively by the authorities can affect previously submitted tax returns.

Even if the Group judges that adequate provisions have been made based on the Group's interpretation of current and previous tax legislation, the risk remains that the tax authorities in Russia may have a different interpretation. This entails a risk that the Group may be subject to further taxes or fines that may add up to considerable amounts and have a negative effect on the value of the Group's assets.

Value added tax is normally returned in Russia. However, this is dependent on a certificate that shows that the project has been completed or that export has occurred being presented and approved by the tax authorities. There have been cases in Russia where returns only occurred after court proceedings, which involves a risk of a negative effect on the Group's liquidity.

The Group's legal structure is based on assumptions regarding applicable legislation. Changes to legislation in Russia could involve negative tax consequences. Revision of the Swedish, or Cypriot tax system could also involve, for example, a change in income tax or company tax and might involve a changed tax situation for the Group that could have a negative effect on the Group's financial position.

Currency risk

Exchange rate fluctuations and any Russian currency regulations can affect the Group's assets and revenues. The Group's subsidiary in Russia uses the Ruble as its base currency and prepares its reports in Rubles. The costs are to a large extent Ruble based. For the time being, the Group has chosen not to hedge any part of its currency exposure. The official exchange rates therefore both directly and indirectly affect the value of the subsidiaries' assets and thereby also the Group's financial position. The Russian central bank has attempted to stabilise the Ruble, but there is no guarantee that such action will be taken in future or lead to a favorable result. A negative development of exchange rates for the Group can thereby have a negative effect on the Group's results and financial position.

During 2023, the value of the Russian currency devaluated against the Swedish krona by 19 percent.

The Russian economy may also be subject to inflation pressure that may bring higher production costs in general for the Group and affect its profits. The Group has no significant exposure in foreign currencies other than the above.

Interest rate risk

The Group is currently financed largely by equity and internally generated funds from the oil sales. As the Group does not have any significant interest-bearing loan financing with variable rates of interest (except for those provided intragroup by the subsidiaries' shareholders), Management considers that the interest risk does not constitute a material risk. If and when the Group utilises external loan financing at variable rates, the Group will be exposed to rising market interest rates. Rising market interest rates could then have a negative effect on the Group's financial results.

Counterparties, partners and credit

The Group is exposed to various credit risks, for example in the form of prepaid costs or credit being given where collaterals do not cover the Group's claims. The Group is also exposed to sold and delivered oil. Full or partial nonpayment from buyers may have a negative impact on the Company's operations, result and financial position.

The Group is also exposed to counterparty risks in the form of partnership agreements and joint ventures that the Group has entered into or may enter into in the future.

The interests of the Group and its partners may differ, which may have a negative effect on the Group's operations. Neither can it be guaranteed that the Group's partners will always be able or willing to fulfill any financial or other obligations towards the Group or a third party. Since the Group does not have sole control of all licences, there is a risk that licences may lapse or be recalled due to circumstances over which the Group has no control. There is also a risk that the parties do not interpret their agreement obligations in the same way. On the other hand, there is a risk of the Group's partners, with or without grounds, claiming that the Group is not fulfilling its obligations. This may lead to the Group, with or without grounds, being subject to sanctions or that the Group's partners will take some other action that conflicts with the Group's interests or strategy, which could lead in turn to a considerable negative effect on the Group's financial position, profits and future prospects.

Reporting practice and other information

Reporting, financial reporting and auditing in Russia differ from what is found in Sweden. This is mainly because accounting and reporting primarily filled a function in relation to tax legislation. Even if more extensive reporting is made and even if it is done in accordance with international standards, no complete guarantee can be given with regard to the completeness or reliability of the information.

Critical accounting estimates and judgments for accounting purposes

Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below.

Testing for impairment of capitalised costs related to exploration and evaluation of mineral resources and Goodwill

The Group annually tests whether there has been any impairment loss on capitalised expenditure for exploration and the evaluation of mineral assets, and goodwill in accordance with the accounting policy described above for non-financial assets. In assessing the value of goodwill and the value of oil and gas assets, the value of goodwill has been written down to zero, and there are circumstances indicating that a write-down would be justified in regards to oil and gas assets have been identified.

The following material assumptions have been used:

- Discount rate of 18 (15) percent
- Reserves of 21 (28) million barrels of oil (including Petrosibir's 51% share of the co-owned oil fields)
- Future world market oil Brent prices per barrel of oil: USD 80 (USD 80) effective 2024 and forward. Discount Urals (oil blend in Russia) to Brent per barrel of oil: USD -18 (-30) effective 2024 and forward.

Under these assumptions, natural depletion of the fields and practical inability to develop the assets in a situation of no access to capital market caused by sanctions, valuation of the future discounted cash flows of the company moved to negative zone. Therefore, the value of exploration and evaluation assets was reduced to SEK 0 (0) million. Should the conditions for the assumptions on which the value of intangible assets is based change and facts and circumstances arise, the value may need to be restored. The value of assets is contingent on among others:

- Obtaining permission to drill for oil
- That production can start
- That the total of expenditure incurred, plus the discounted value of future expenditure in order to extract the minerals, is less than the present value of the income that the extraction of the minerals is expected to generate.

The value of the assets, in the form of the capitalised development expenditure for oil drilling, is contingent on the Company obtaining production permits in the places where exploration is taking place.

Going concern
The Group's continued operation and expansion is dependent on being able to raise capital through equity by issuing new shares, external borrowings and cash flows from the extraction of oil and gas in Russia. The financial statements have been prepared with the assumption of going concern, taking into account existing cash and the assumption that the Group can finance itself through one or more of the above ways.

Deferred tax
The Group reports mainly deferred tax liabilities which are mainly attributable to value adjustments on intangible and tangible assets of acquired subsidiaries. The Group also has tax losses where deferred tax assets are recognised to the extent it is probable that they can be utilised.

NOTE 2

Revenue

The Group's revenue mainly comes from the sale of own produced crude oil. The subsidiary in Russia also sell oil produced by others, below called oil trading. The revenue from oil trading is reported on a net basis, i.e. received revenue less cost for acquiring the oil and related sales costs.

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Sale of crude oil, own production	44,171	58,009	0	0
Oil trading	9,139	7,297	0	0
Total revenue	**53,309**	**65,306**	**0**	**0**

NOTE 3

Remuneration to personnel and senior management 2023 (SEK thousand)

	Basic salary/fee	Bonus	Other remuneration	Other benefits	Pension	Total
Timofei Kotenev, Chairman	180	0	0	0	0	180
Maxim Korobov, Director	120	0	0	0	0	120
Pavel Tetyakov, CEO	1,967	0	0	0	0	1,967
Jesper Sevelin, Director and dep CEO*	640	0	0	0	0	640
Totalt board and management	**2,907**	**0**	**0**	**0**	**0**	**2,907**

*SEK 120 thousand are attributed to remuneration as the Board director.

Remuneration to personnel and senior management 2022 (SEK thousand)

	Basic salary/fee	Bonus	Other remuneration	Other benefits	Pension	Total
Timofei Kotenev, Chairman	180	0	0	0	0	180
Maxim Korobov, Director	120	0	0	0	0	120
Andreas Norman, Director	60	0	0	0	0	60
David Sturt, Director	60	0	0	0	0	60
Pavel Tetyakov, CEO	1 847	0	0	0	0	1 847
Jesper Sevelin, Director and dep CEO*	496	0	0	0	0	496
Gunnar Danielsson, Director and dep CEO**	218	0	0	0	17	235
Totalt board and management	**2 981**	**0**	**0**	**0**	**17**	**2 998**

*Replaced Gunnar Danielsson as Director and dep CEO 30 June 2022. SEK 60 thousand are attributed to remuneration as the Board director.

** SEK 40 thousand are attributed to remuneration as the Board director.

Senior management benefits

Principles

Remuneration to the Board, including the Chairman, is determined by the shareholders at the AGM, and applies for the period until the next AGM.

Remuneration and benefits to the Board

The total remuneration to the Board for the financial year 2023 amounted to SEK 420 (520) thousand. The amounts relate to the Board fee, there is no remuneration for committee work. The remuneration to the board is disclosed in the table above.

Remuneration and benefits to the CEO

During 2023 the remuneration to the CEO amounted to SEK 1,967 (1,847) thousand. The CEO is normally remunerated in USD with a monthly remuneration amounting to USD 15 thousand, which includes taxes and social security fees. In 2023 due to currency related restrictions the CEO was instead remunerated in RUB at an amount corresponding to USD 15 thousand. There are no other benefits and there are no pension payments in favour of the CEO.

Pension plans

The Company has an established pension plan for personnel and senior management which is a defined contribution plan.

Severance agreements

There are no severance agreements in the Company. The notice period for the CEO is three months both from the side of the CEO and the Company.

Gender distribution

The number of directors and CEO in the parent company total 4 persons where 4 are men and no women.

	2023			2022		
Average no of employees	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**
Sweden*	2	2	0	2	2	0
Russia	28	22	6	33	24	9
Total	**30**	**24**	**6**	**35**	**26**	**9**

**The row Sweden relates to the parent company, Petrosibir AB*

Remuneration to employees and board	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Senior management and board	3,046	3,380	3,046	3,380
Pension costs	0	17	0	17
Other employees	4,720	6,305	0	0
Pension costs	0	626	0	0
Social security fees	1,105	746	274	435
Total	**8,871**	**11,075**	**3,319**	**3,832**

Remuneration to the board is included in other external costs in the statement of comprehensive income.

Geographical distribution	2023	2022
Sweden	3,319	3,832
Russia	5,552	7,243
Total	**8,871**	**11,075**

NOTE 4

Remuneration to auditors

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Winthers				
Audit	180	236	130	236
Audit outside audit assignment	15	27	15	27
Tax advice	0	0	0	0
Other	0	0	0	0
Total Winthers	**195**	**263**	**145**	**263**
AO Audit Systema				
Audit	56	52	0	0
Audit outside audit assignment	0	0	0	0
Tax advice	0	0	0	0
Other	0	0	0	0
Total Audit Systema	**56**	**52**	**0**	**0**
Total	**251**	**315**	**145**	**263**

Audit include fees for the annual audit assignment of the character that the work assignment can only be performed by the duly elected auditor, including reviewing the financial statements and accounting records and other tasks that the Company's auditor is required to perform.

Audit engagements include reviewing the financial statements and accounting records along with the administration of the Company by the Board and CEO, other tasks that the Company's auditor is required to perform and consulting. Audit outside audit assignment mainly concerns fees for other assignments related to the audit of the financial statements and accounts of the company and is normally performed by the duly elected auditor, including consultations related to accounting practices and requirements.

Winthers Revisionsbyrå were re-appointed as auditors in Petrosibir at the AGM 2023. Audit fees have been provided for in accordance with generally accepted accounting principles.

Audit fee to AO Audit Systema refers to audit of the Russian subsidiaries.

NOTE 5
Financial income

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Translation differences	29	2 083	0	345
Result after reduction of share premium in subsidiary			51 791	
Interest income, Group	0	0	4 654	6 837
Interest income, other	2 703	3 249	525	1 207
Total	**2 732**	**5 332**	**56 970**	**8 388**

*Of which received interest 2,703 (3,249) in the Group and 525 (1,207) in the parent company.

NOTE 6

Financial expense

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Translation differences	0	0	0	0
Interest expense, group	0	0	0	-1,545
Interest expense, other	-1,773	-2,986	-597	-200
Total	**-1,773**	**-2,986**	**-597**	**-1,745**

*Of which paid interest -1,773 (-2,986) in the Group and -597 (-200) in the parent company.

NOTE 7
Income tax

	Group		Parent company	
	2023	2022	2023	2022
Current tax	-202	-45	0	0
Deferred tax	0	16 437	0	0
Total	**-202**	**16 394**	**0**	**0**

Reconciliation of reported tax for the period	**2023**	**2022**	**2023**	**2022**
Profit before tax	2 142	-219 098	51 279	-215 140
Tax at the statutory income tax rate	-441	45 134	-10 563	44 319
Difference in tax rate foreign operations	-4 143	-7 285	0	0
Non-taxable items	4 808	-11 647	10 139	-61 018
Deductible items not included in net income	0	0	0	0
Other	0	0	0	0
Not utilized loss carry forwards	-425	-9 810	424	16 699
Reported tax	**-201**	**16 393**	**0**	**0**

The tax rates are 20.6% in Sweden, in Russia it is 20% and in Cyprus 12.5%.

As of 31 December 2023, the Group had tax losses of approximately SEK 242 (204) million. The calculated value of the loss carry forwards amounts to SEK 49 (42) million. Deferred tax assets attributable to tax losses are recognised only to the extent that it is probable that they will be utilised. Taking into account the future utilisation of tax losses of the Group is unlikely, no deferred tax assets have been recognised for those losses. The calculated value of the loss carry forwards amounts to SEK 49 (42) million. Tax loss carry forwards can be utilised indefinitely in Sweden, while in Russia there is limit 50% of future annual profit to be a subject to tax losses utilisation. In Cyprus loss carry forwards can be utilised over a period of 5 years.

The Group's deferred tax assets and liabilities are attributable to the following:

Deferred tax assets	**2023**	**2022**
	0	**0**

Deferred tax liabilities	**2023**	**2022**
Intangible assets	0	0
Tangible fixed assets	0	0
Captialized interest	0	0
Other	0	0
Total deferred tax liabilities	**0**	**0**
Net Deferred tax liability	**0**	**0**

Deferred taxes net, 2023	Opening balance	Reported in comprensive income	Translation difference	Closing balance
Intangible assets	**0**	0	0	**0**
Tangible fixed assets	**0**	0	0	**0**
Captialized interest	**0**	0	0	**0**
Capitalized loss carry forward	**0**	0	0	**0**
Other	**0**	0	0	**0**
Total	**0**	**0**	**0**	**0**

Deferred taxes net, 2022	Opening balance	Reported in comprensive income	Translation difference	Closing balance
Intangible assets	**8,794**	-10,233	1,439	**0**
Tangible fixed assets	**8,761**	-9,589	828	**0**
Captialized interest	**2,625**	-2,625	0	**0**
Capitalized loss carry forward	**-6,650**	7,152	-502	**0**
Other	**0**	-1,142	1,142	**0**
Total	**13,530**	**-16,437**	**2,907**	**0**

NOTE 8
Exploration and evaluation assets and oil and gas assets

	Group	
	Exploration and evaluation assets	Oil and gas assets
Cost of acquisition		
Accum cost of acquisition 2021-12-31	**57,555**	**135,597**
Acquisitions	1,962	234
Prepayments	0	0
Reclassifications	0	0
Disposals	0	-17
Translation differences	9,240	18,570
Accum cost of acquisition 2022-12-31	**68,757**	**154,384**
Acquisitions	0	0
Prepayments	0	0
Reclassifications	0	0
Disposals	0	0
Translation differences	0	0
Accum cost of acquisition 2023-12-31	**68,757**	**154,384**
Depreciation and writedown		
Accum depreciation 2021-12-31	**-2,258**	**-21,602**
Disposals	0	0
Depreciation for the period	-124	-1,262
Impairments	-72,035	-141,245
Disposals	0	-3
Translation differences	5,659	9,728
Accum depreciation 2022-12-31	**-68,757**	**-154,384**
Disposals	0	0
Depreciation for the period	0	0
Impairments	0	0
Disposals	0	0
Translation differences	0	0
Accum depreciation 2023-12-31	**-68,757**	**-154,384**
Net book value:		
As of 2022-12-31	**0**	**0**
As of 2023-12-31	**0**	**0**

Exploration and evaluation assets are the non-producing assets and oil and gas assets are the producing assets.

Exploration and evaluation assets have been allocated to cash generating units and tested for impairment. The cash generating units of the Group are the Ayazovskoye, Ayskoye and Yanbayskoye oil fields. The Group assesses its exploration and evaluation assets and its oil and gas assets for impairment loss in the light of events or changed circumstances indicating that the reported values of the assets cannot be justified. Such indications include changes in the Groups operational plans, changes in oil prices leading to lower revenue and for oil and gas assets a reduction in the estimated reserves. The significant assumptions that have been used are:

- Discount rate of 18 (15) percent.
- Reserves of 21 (28) million barrels of oil (including Petrosibir’s 51% share of the co-owned oil fields).

Future Brent prices per barrel of oil: USD 80 (USD 80) in 2024 and forward. Discount Urals (oil blend in Russia) to Brent per barrel of oil: USD -18 (-30) in 2024 and forward. Under these assumptions, natural depletion of the fields and practical inability to develop the assets in a situation of no access to capital markets caused by sanctions, valuation of the future discounted cash flows of the company moved to negative zone. Therefore, the carrying value of the Group’s exploration and evaluation assets was reduced to SEK 0 (0) million.

The carrying value of the Group’s oil and gas assets amount to SEK 0 (0) million. The carrying values are affected by changes in the exchange rates.

Total non-current assets other than financial assets located in and outside Sweden amount to SEK 0 (0) million.

NOTE 9
Machinery and equipment

	Group
	Machinery and equipment
Cost of acquisition	
Accum cost of acquisition 2021-12-31	**4,680**
Acquisitions	725
Disposals	0
Translation differences	735
Accum cost of acquisition 2022-12-31	**6,140**
Acquisitions	0
Disposals	0
Translation differences	0
Accum cost of acquisition 2023-31	**6,140**
Depreciation	
Accum depreciation 2021-12-31	**-3,259**
Depreciation for the period	-773
Impairment	-1,942
Disposals	0
Translation differences	-166
Accum depreciation 2022-12-31	**-6,140**
Depreciation for the period	0
Impairment	0
Disposals	0
Translation differences	0
Accum depreciation 2023-12-31	**-6,140**
NBV	
As of 2022-12-31	**0**
As of 2023-12-31	**0**

NOTE 10
Investments in Equity instruments

Change during the period	2023	2022
As of 1 January	0	73,697
Impairment	0	-73,697
As at 31 December	**0**	**0**

The interest in Ripiano Holdings Ltd is classified as Investments in Equity instruments. With the view that the earlier mentioned economic and political restrictions may be in place for an indefinite period in combination with poor economic performance of the oil fields, and no access to the capital required to drill new wells and improve cash flows, the Company recognised full writedown of investments in Ripiano.

NOTE 11
Inventory

	Group	
	2023	2022
Crude oil	196	301
Other	667	836
Total	**863**	**1,136**

NOTE 12
Accounts and other receivables

	Group		Parent company	
	2023	2022	2023	2022
VAT	34	213	34	90
Accounts receivable	4,816	7,864	0	0
Prepayments	917	492	0	0
Other receivables	729	238	58	51
Total	**6,496**	**8,807**	**92**	**141**

NOTE 13
Other current liabilities

	Group		Parent company	
	2023	2022	2023	2022
Withholding tax	18	18	18	18
Social security fees	14	18	14	18
Discovery fee new Aysky field	2,076	0	0	0
VAT	2,427	1,778	0	0
Production tax	2,373	2,990	0	0
Other taxes	242	585	0	0
Prepayments from customers	454	230	0	0
Other	86	0	87	0
Total	**7,691**	**5,619**	**119**	**36**

NOTE 14

Accrued expenses

	Group		Parent company	
	2023	2022	2023	2022
Interest	0	0	0	10,798
Consultants	0	0	0	0
Audit	180	276	180	276
Prepayments	0	0	0	0
Vacation and social security	852	1,051	80	67
Board fee	595	547	595	547
Other	230	166	144	99
Total	**1,857**	**2,040**	**999**	**11,787**

NOTE 15

Equity

There were no changes in the number of shares in the Company. The total number of shares amounts to 761,900 shares of series A and 29,011,962 shares of series B. The total number of shares amounts to 29,773,862.

During the reporting period the company has registered a reduction of the registered share capital of 180,307 TSEK. After the reduction the registered share capital amounts to 500 TSEK.

Financing

The Group has historically to a large extent used equity to finance its business and expansion in Russia by issuing new shares or other financial instruments when there has been a need for additional capital. Previously issued convertible bonds or loans have either been converted to shares or repaid.

Translation differences in equity

Translation differences reported in other comprehensive income amounted to SEK 1,588 (32,247) thousand in 2023 and as of 31 December 2023 the accumulated translation differences in equity amounts to SEK -43,033 (-49,375) thousand. The translation differences arise when foreign subsidiaries' balance sheets are translated to SEK using the exchange rate applicable on the balance sheet day, and income statements using the average exchange rates.

Translation differences also arise when translating monetary assets and liabilities in foreign currencies, as these are restated on the balance sheet day at the exchange rate applicable that day. These exchange rate differences are normally reported in the income statement, however with the exception of loans in foreign currencies that constitute a currency hedge of a net investment in a foreign operation. These translation differences are reported in other comprehensive income.

Management of capital

The managed capital of the Company consists of equity. Management manages capital that has not yet been used for investments or in operations by investing liquid funds in various credit institutions with a high credit rating and at the best possible return.

NOTE 16
Reserves

	Translation differences	Investments in equity instruments	Total reserves
Opening balance January 1, 2022	**-81 622**	**-55 485**	**-137 107**
Change	32 247	-73 698	-41 451
Closing balance December 31, 2022	**-49 375**	**-129 183**	**-178 557**
Opening balance January 1, 2023	**-49 375**	**-129 183**	**-178 557**
Change	1 588		1 588
Closing balance December 31, 2023	**-47 787**	**-129 183**	**-176 968**

NOTE 17

Borrowings

Loans (SEK th)

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Current				
Loans from Geoservis	1,373	11,872	0	0
Other current loans	0	0	0	0
Total current loans	*1,373*	*11,872*	*0*	*0*
Non-current				
Loans from Geoservis	10,318	1,722		
Other non-current liabilities	0	2,515		
Loans from Group companies	0	0	0	40,705
Total non-current loans	*10,318*	*4,237*	*0*	*40,705*
Total	**11,690**	**16,109**	**0**	**40,705**

Other current loans in the Group relates to a loan from LLC Geoservis to LLC Company Ufa Petroleum. Geoservis is the partner that holds a 49% interest in Company Ufa Petroleum. The loan had to be converted to equity in 2021 in accordance with the agreement between Geoservis and Petrosibir, however, Geoservis delayed the execution of the agreement, so the actual conversion took place in 2022.

NOTE 18

Provisions

Provisions (SEK th)

	Group	
	2023	**2022**
Asset retirement obligations	794	886
Total	**794**	**886**

Costs for asset retirement obligations are reported as provisions based on the present value of the costs that are estimated to be needed to meet the obligation to restore drilling sites when production is closed down, using estimated cash flows. The discount rate reflects a market assessment of the time value of money and risks specific to the obligation. The obligations are reviewed annually and changes in provisions are capitalised or reversed against the relevant asset. No provisions have been reversed or utilized during the year. Higher general interest rates in Russia in 2023 and RUB weakening vs. SEK lowered the present value of the ARO compared to 2022.

NOTE 19
Commitments
The Group is to some extent dependent on leased premises and equipment. None of the leasing agreements are longer than 12 months and the leasing fees are expensed in the period they relate to. In 2023 the leasing payments amounted to SEK 847 (1,160) thousand.

NOTE 20
Contingent liabilities

Contingent liabilities
There are no known disputes which can have a significant negative impact on the Group or the parent company.

(i) Contingent liabilities related to tax
The tax system in Russia is characterised by many taxes that are subject to frequent change and inconsistent application at federal, regional and local level.

The application of new laws is highly dependent on how they are interpreted by local tax authorities. Furthermore, many existing problems may not be taken into account in new laws. There may initially be a lack of clarity about how new laws shall be implemented. This creates difficulties for the Group's tax planning and the associated business decisions.

The Russian tax authorities have up to three years to reopen tax audits of previous income tax returns. Changes in the tax system that are applied retroactively by the authorities can affect previously submitted tax returns.

All these circumstances and uncertainties can lead to tax risks that are significantly higher than in other countries. Even if the Group estimate that adequate provisions have been made based on the Group's interpretation of current and previous tax legislation, the risk remains that the tax authorities and courts in Russia may have a different interpretation. This uncertainty means there is a risk of additional taxation and fines that can amount to substantial amounts.

(ii) Contingent liabilities related to oil and gas operations
There is an obligation to restore the Group's drilling sites to their original condition once oil extraction ceases. See note 18 Provisions for the provisions the Group has made for asset retirement obligations.

(iii) Contingent liabilities related to Russia
Russia is a developing market, and as such do not have a fully developed regulatory framework for commerce, such as a stable banking and legal system, as those in more developed market economies. The Russian economy is characterised by a currency which is not fully convertible outside, foreign exchange controls, low liquidity in bond and equity markets and continued inflation. Operating in Russia therefore involves risks not normally associated with operations in more developed markets.

The stability and success of the Russian economy depends on the effectiveness of the Government's economic policies, and the continued development of the legal and economic systems.

NOTE 21
Financial instruments

Group 2023				
Chategory	Loan and accounts receivable	Other financial liabilities	Fin assets that can be sold	Total
Assets				
Non-current financial assets			0	0
Accounts receivable			4 816	4 816
Cash	27 347			27 347
Total	**27 347**	**0**	**4 816**	**32 163**
Liabilities				
Non-current liabilities		10 318		10 318
Current liabilities		1 373		1 373
Accounts payable		5 681		5 681
Other liabilities		2 076		2 076
Total	**0**	**19 447**	**0**	**19 447**

Group 2022				
Chategory	Loan and accounts receivable	Other financial liabilities	Fin assets that can be sold	Total
Assets				
Non-current financial assets			0	0
Accounts receivable			7 864	7 864
Cash	23 437			23 437
Total	**23 437**	**0**	**7 864**	**31 301**
Liabilities				
Non-current liabilities		11 872		11 872
Current liabilities		4 237		4 237
Accounts payable		5 421		5 421
Other liabilities		2 515		2 515
Total	**0**	**24 044**	**0**	**24 044**

The Group applies the amendment to IFRS 7 for financial instruments, valued at fair value in the statement of financial position. Disclosures are required of the fair value at the level of the following fair value hierarchy:

- Quoted prices (unadjusted) on active markets for identical assets or liabilities (level 1);
- Other observable data for assets or liabilities other than quoted prices included in Level 1, either directly (i.e., as quotations) or indirectly (i.e., derived from quotations) (level 2); and
- Data for assets or liabilities that is not based on observable market data (i.e. not observable data) (level 3).

As at 31 December 2023 the Group had financial assets available for sale at fair value in level 1 of SEK 4,816 (7,864) thousand.

Maturity
The Group's financial liabilities matures as follows:

	December 31, 2023					
	< 3 months	Between 3 and 6 months	Betweem 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Accounts and other payable	5,681	1,373	2,076	10,318	0	0
Total	**5,681**	**1,373**	**2,076**	**10,318**	**0**	**0**

	December 31, 2022					
	< 3 months	Between 3 and 6 months	Betweem 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Accounts and other payable	5,421	4,237	0	1,722	2,515	0
Total	**5,421**	**4,237**	**0**	**1,722**	**2,515**	**0**

NOTE 22
Earnings per share

Earnings per share before dilution are calculated by dividing the profit/loss attributable to shareholders of the parent company by the weighted average number of ordinary shares during the year, excluding ordinary shares repurchased by the parent company and held as treasury shares. The parent company holds no treasury shares.

The average number of shares is then adjusted by the estimated number of shares from the convertible bonds and stock options. Potential shares from stock options are only included when the share price of the shares is equal to or exceeds the average stock exchange price for the shares during the period. In the presented periods there were no convertible bonds or stock options that could give rise to potential shares.

The calculation of diluted earnings per share is made by dividing the adjusted result by the adjusted average number of shares.

The Board proposed to the AGM that there be no dividend distribution for the financial year 2023.

	2023	**2022**
Result attributable to the shareholders of the parent company (SEK th)	1,939	-199,882
Weighted average number of shares	29,773,862	29,773,862
Earnings per share, SEK / share	0.07	-6.71

NOTE 23
Subsequent events

The sale of assets that the annual general meeting decided on June 30, 2023, to the company's CEO has been subject to regulatory approvals in Russia. These approvals were obtained in February 2024 after a prolonged process obtaining the Russian state approvals. The transactions were finally completed in April 2024.

After divesting from the subsidiaries, the company no longer has any operational activities. Considering the parent company's limited resources, historical context, and shareholder structure, it is no longer viable to invest in a new business. Therefore, the board has decided to recommend to shareholders that the company enter liquidation ahead of the scheduled annual meeting on June 7, 2024.

The background to the liquidation proposal is as follows:

On June 30, 2023, the company held an annual meeting, which also constituted a second control meeting after the company had to prepare a balance sheet for liquidation purposes due to large write-downs related to the company's Russian operations. During the annual meeting, the shareholders decided on the continued operation of the company while it was decided to divest all of Petrosibir's Russian subsidiaries, JSC Ingeo Holding and LLC Company UFA Petroleum to the company's CEO Pavel Tetyakov. The annual meeting also decided to exit the ownership of 49% in Ripiano Holdings, which Petrosibir owns through the wholly-owned subsidiary Sonoyta Limited. The background to the divestment of the company's Russian assets is described in the annual reports for 2022, 2023 and in the decision material for the Annual General Meeting held in 2023, which can be found in the notice to said meeting.

As of the date of the Annual General Meeting, Petrosibir has divested the holdings in all subsidiaries mentioned above.

The background to the decision to divest the assets is mainly reproduced below:

Geopolitical Situation:

Due to a severely deteriorated geopolitical situation and sanctions against Russia, as well as counter-sanctions from Russia, Petrosibir's Russian subsidiaries have no ability to obtain any kind of -financing, debt or equity, external or internal. Similarly, the risk of regulatory interventions has increased, both due to a deteriorated sanctions climate, but also because Petrosibir has not succeeded in developing the assets in accordance with the taken license obligations.

Impact of Sanctions:

EU sanctions prevent new investments and financing in the energy sector in Russia, which negatively affects Petrosibir's opportunities to finance development of its subsidiaries.

Financial Limitations:

In addition to both Petrosibir and the local Russian subsidiaries being prohibited or limited in their ability to obtain -financing due to restrictions and sanctions, the possibility of cross-border payments is severely limited. The only transfers that Petrosibir has been able to carry out are smaller monthly payments on the group internal loans that have existed between the companies.

Failed Previous Attempts to Divest the Assets:

Previous attempts to sell the Russian assets have failed due to the prevailing climate and restrictions.

Board's Proposal - Voluntary Liquidation

The board proposes that the company meeting decides that the company should enter voluntary liquidation in accordance with Chapter 25, Section 3 of the Companies Act.

Due to limited assets, current shareholder structure and history with exposure to Russia and uncertainty about whether the company will be able to maintain a banking commitment in the future, the board assesses it not possible to continue to operate effectively and feasibly, neither within the current business branch or a new one. The assessment is thus that there are no alternatives to liquidation.

Based on today's known conditions, the liquidation dividend is estimated to amount to approximately SEK 1.5 million, after liquidation costs. The estimated time for distribution is the last quarter of 2024 or start of the first quarter of 2025. The decision on liquidation shall apply from the day of the company meeting's decision.

The board proposes that the company meeting authorizes the chairman of the board and the company's CEO, or the person appointed by them, to take the measures required for the decision's registration at the Companies Registration Office.

The company’s ability to receive funds from its Russian subsidiaries has deteriorated during the reporting period, and the parent company’s bank has expressed its intention to wind down all Russian operations, which is currently underway. The bank has also indicated that Petrosibir’s current activities do not align with the bank’s new sustainability focus. Based on the current corporate structure, it is the company’s interpretation that all banking engagements will eventually be terminated by the bank.

NOTE 24
Related parties

The parent company’s related parties are its subsidiaries and associated companies and its board directors and management. The directly and indirectly owned subsidiaries and associated companies are outlined in note 25.

There have been no related party transactions to physical persons in addition to what is disclosed in note 3 Remuneration to employees and senior management.

None (none) of the parent company revenue were revenue from group companies and none (none) of the operating costs were from group companies. The parent company does not have any loans to associated companies and there are no guarantees issued by the parent company to associated companies. All transactions are on arm’s length terms.

NOTE 25

Shares in group companies, parent company

Change during the year	2023	2022
As of January 1	0	150,244
Acquisitions	0	0
Impairment	0	-150,244
As of December 31	**0**	**0**

The table below is a specification of the Group's subsidiaries and associated companies as at 31 December 2023. Sonoyta Ltd and JSC Ingeo Holding are owned directly, while, LLC Ufa Petroleum and Ripiano Holdings Ltd are owned indirectly.

Company	Domicile	Participation, %	Equity	Net income	Operations
JSC Ingeo Holding	Russia	100	76 975	2 600	Exploration for and production of oil & gas
LLC Company Ufa Petroleum	Russia	51	14 106	-419	Exploration for and production of oil
Sonoyta Ltd	Cyprus	100	-264	462	Holding company
Ripiano Holding Ltd	Cyprus	49	N/A	N/A	Holding company

NOTE 26

Appropriation of profits

At the disposal of the AGM (all SEK)	
Share premium reserv	287 210 934
Fair value fund	-13 695 026
Retained earnings	-319 612 836
Result for the year	51 278 636
	5 181 708

The Board proposes:

To be carried over **5 181 708**

The Parent Company financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with International Accounting Standards as they have been adopted by the EU.

The Parent Company financial statements and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results of operations. The administration report for the Group and Parent Company provides a true and fair overview of the development of the Group's and Parent Company's business activities, financial position and results of operations as well as the significant risks and uncertainties which the Parent Company and its subsidiaries are exposed to.

The consolidated statements of comprehensive income and financial position and the parent company's income statements and balance sheets will be presented to the annual general meeting for adoption on 7 June 2024.

Stockholm 17 May 2024

Timofei Kotenev
Chairman

Maxim Korobov

Jesper Sevelin

Our audit report was submitted on 17 May 2024
Winthers Revisionsbyrå AB

Ragnar Santesson
Authorised Public Accountant