

Fairness Opinion
1 december 2022



PETROSIBIR AB

PROPOSED DIVESTMENT OF RUSSIAN OIL ASSETS

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Introduction to assignment

Carlsquare AB has, via Jesper Sevelin, deputy CEO of Petrosibir AB (“Petrosibir” or “the company”), been assigned to provide a Fairness Opinion on a proposed transaction whereby Petrosibir divests its wholly and majority-owned Russian oil assets to the company’s local Russian CEO under the terms described below.

Pavel Tetyakov, the CEO of Petrosibir AB and its Russian subsidiaries, has offered the company’s board to buy out the assets in Bashkiria, i.e., 100 per cent of Ingeoholding and 51 per cent of UFA Petroleum, for RUB 28 million, which is approximately equivalent to SEK 4.8 million. The offer is conditional on the debt of Ingeo and UFA to Petrosibir being zero at the time of the transaction. If the board proceeds with the offer, the loans must be waived. The offer is non-binding and is subject to the approval of the general meeting (of Petrosibir) and the approval of the Russian authorities. Russia has restricted these transactions because many European companies are leaving the market. Obtaining regulatory approvals is expected to take a few months. Following the offer, the board is not bound by the transaction if a better solution is found or the market improves. That is, Petrosibir has the right to withdraw throughout the process.

After such a transaction, Petrosibir AB would be left with a small cash position and a 49 per cent indirect interest in an oil deposit in Komi, Russia (written down to zero in Petrosibir’s control balance sheet as of 31 August 2022).

Carlsquare has been assigned to express an opinion on whether the conditions for these transactions are done on fair market conditions.

Access to information:

Carlsquare AB has received the following information from Jesper Sevelin, deputy CEO of Petrosibir:

Financial Statements 2021, valuation models and budget 2022 for CUP (51 per cent in LLC Company Ufa Petroleum)

Financial Statements 2021, valuation models and budget 2022 for Ingeo (100 per cent in AO Ingeoholding).

Consolidated Income Statement 1 January-30 June 2022

“PS Bashkiria Valuation model 21.2.2022.xlsx.”

Komi (49 per cent)- Financial Statements Q1-Q3 2022 (in Russian), Valuation model 24.08.2022 and “Report Ripiano 2021_15.03.2022.pdf” (in Russian).

Petrosibir AB Annual reports from 2015 until 2021 and Interim Report for H1 2022 from the corporate web page.

Corporate Presentation from the AGM in Petrosibir AB as of 16 June 2021

Petrosibir Group Control Balance Sheet from the corporate web page as of 31 August 2022.

About Carlsquare

Carlsquare is a group that has been working with financial transactions for 20 years and is today one of the leading firms in Germany and Scandinavia. Since June 2018, the former Jarl Securities AB (renamed Carlsquare AB) has been part of the Group. Carlsquare AB has an equity research department with five employees, three of whom have extensive banking and stockbroking experience, and all have a high level of expertise in equity research. In addition to assignments in fairness opinion and other independent valuations, since the spring of 2020 started its own commissioned equity research business under the name Carlsquare Equity Research. The Carlsquare Group has around 100 employees in Berlin, Hamburg, Copenhagen, London, Munich, Paris, and Stockholm.

Methods

To value the parts of Petrosibir under the proposed transaction, Carlsquare has applied a cash flow model (DCF) and two comparative valuations. Comparison has been made with similar activities (one for listed and one for unlisted companies, the latter using data from the Mergermarket transaction database).

Discounted Cash Flow

We have applied a cash flow model (DCF) with projected revenues and costs forecast (H2 2022-FY 2026). The present value of the cash flows has been discounted using a company-specific discount rate. From this value, the company's net interest-bearing debt has been subtracted.

Benefits:

- Cash-flow based
- Market-independent
- Academic Support

Disadvantages:

- Dependence on financial forecasts
- Sensitive to assumptions
- Risk of high dependence on the final value

Comparative valuation

We have done two comparative valuations with similar companies based on various key figures linked to earning power and equity.

Benefits:

- Market-based
- Relative
- Easy to apply

Disadvantages:

- Few (if any) perfect comparables
- Not cash flow based
- Company-specific factors are not taken into consideration

A business description of Petrosibir AB

Petrosibir AB owns 100 per cent of AO Ingeoholding, 51 per cent of LLC Company Ufa Petroleum in the Republic of Bashkortostan ("Bashkiriya") and 49 per cent of the holding company Ripiano Holdings Ltd, registered in Cyprus, which in turn owns 100 per cent of the oil filed assets in the Komi Republic in Russia.

Ingeoholding is the holder of the production licenses for the Ayazovskoye and Ayskoye oil fields, and through the 51 per cent owned subsidiary LLC company Ufa Petroleum, the holder of exploration and production licenses for Suyanovskoye and Aysky blocks in Bashkiriya.

The oil fields in the Komi Republic are operated by the Russian company Pechoraneftegaz. The majority owner of Ripiano Holdings Ltd also controls Pechoraneftegaz.



Source: Company information

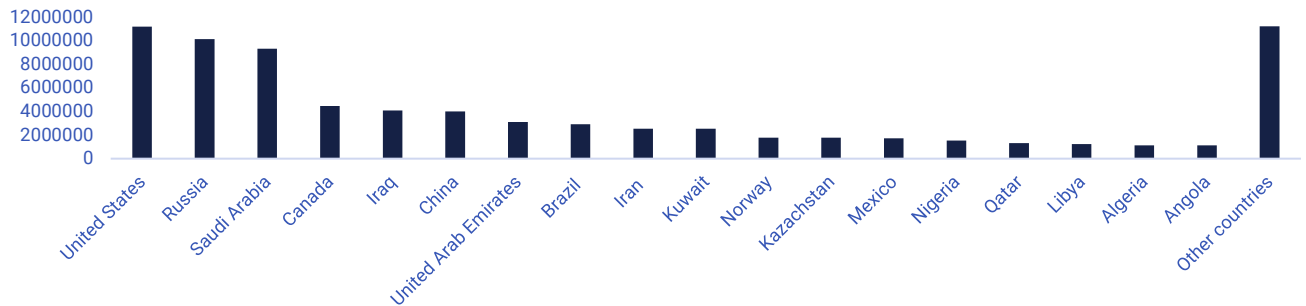
In the H1 2022 interim report, the CEO of Petrosibir, Pavel Tetyakov, summarized that the company had completed their seismic program while maintaining operational efficiency and coping with the volatility in cash flow caused by the EU and US sanctions on Russia. At the same time, the profitability of the operations is comparable low (not stated by the CEO, but our interpretation of the figures, which we will return to).

The general situation of oil production in Russia is that it remains profitable, despite sanctions from Western countries and with discounted prices due to the high world price of oil. With production costs at USD 20 per barrel of oil, Russian companies are still making good profits in the oil industry, it is said. In comparison, Petrosibir is in a less advantageous position since it sells its oil to the local domestic market and not for export, which triggers an additional discount of some USD 5 per barrel compared to the regular Ural price for Russian oil.

Russia is the second largest oil-producing and oil-exporting country globally. Crude and refined petroleum products top Russia’s list of exporting goods, together with natural gas, coal, wheat, and iron. Most Russian oil is extracted from fields in Western Siberia. The Komi Republic is in the Northwestern Federal District of Russia, while the Bashkortostan Republic is in the southern part of the Volga Federal District. In the latter case, this is an advantage in terms of a milder climate that benefit the oil production output.

Sanctions against Russia by EU and NATO countries started back in 2014 after Russia annexed Crimea. The situation gradually improved with a lower price discount on Russian oil products until 2021. However, things have worsened considerably following the severe escalation of the Ukraine-Russia conflict when Russia commenced military operations in Ukraine in February 2022. Russian oil is trading at a discount of around USD 25 per barrel or some 30 per cent compared to the Brent oil price.

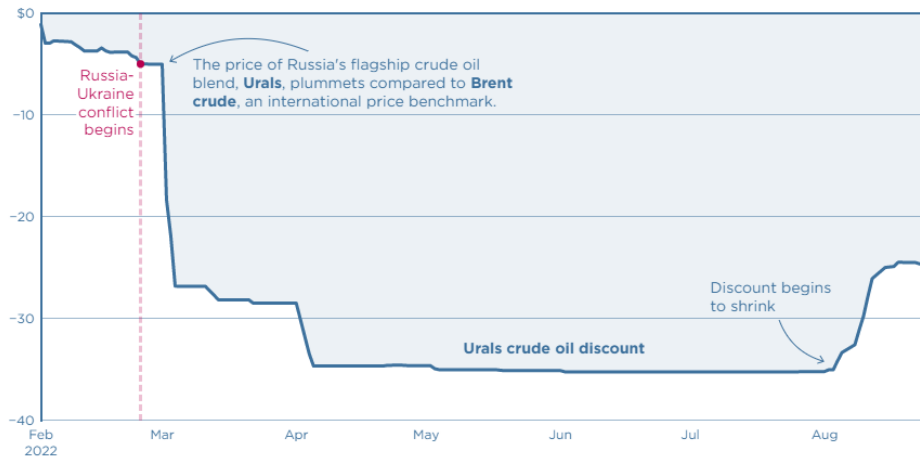
18 largest oil-producing countries in 2021 (barrels per day)



Source: US Energy Information Administration.

Discounted Russian oil prices have started recovering, maintaining Moscow's revenues

Price difference between Russia's Urals crude oil and Brent crude, USD per barrel



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Source: Macrobond Financial.

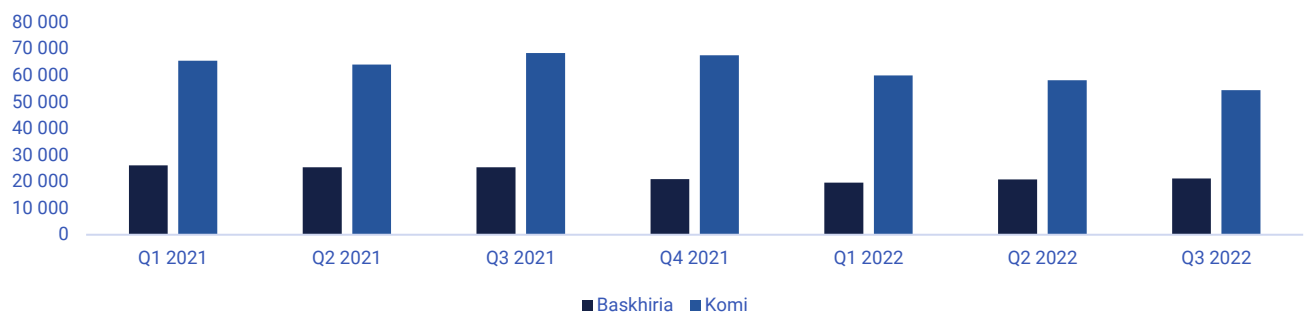
Design by Nia Kitchin and Oliver Ward

Furthermore, the EU has suspended many major Russian banks from the Swift international interbank system. That has had a huge negative effect on the ability to transact in Russian stocks and companies, as well as noticeably lowering the value of such assets in Russia.

In 2021 Petrosibir produced 98 000 barrels of oil in Bashkiria compared to 117 000 barrels in 2020. The company have faced a declining revenue trend since 2014. The result in 2021 was negatively affected by Covid-19. The first exploration well on the Suyanovskoye license was completed in December 2020.

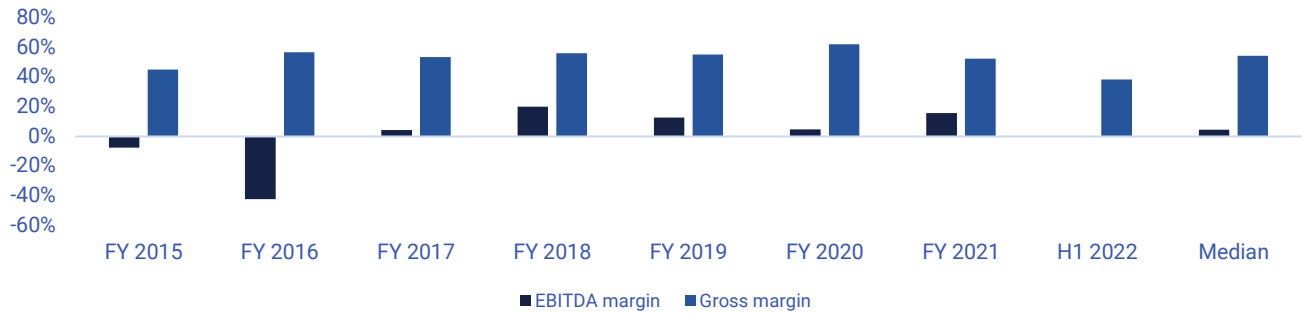
Due to the EU sanctions, companies domiciled in any EU country, such as the Swedish company Petrosibir AB, are no longer allowed to invest in its Russian operations. This makes it challenging for Petrosibir AB to remain a long-term owner.

Petrosibir, Oil Production (barrels per quarter) in Russia, 2021-2022



Source: Company information

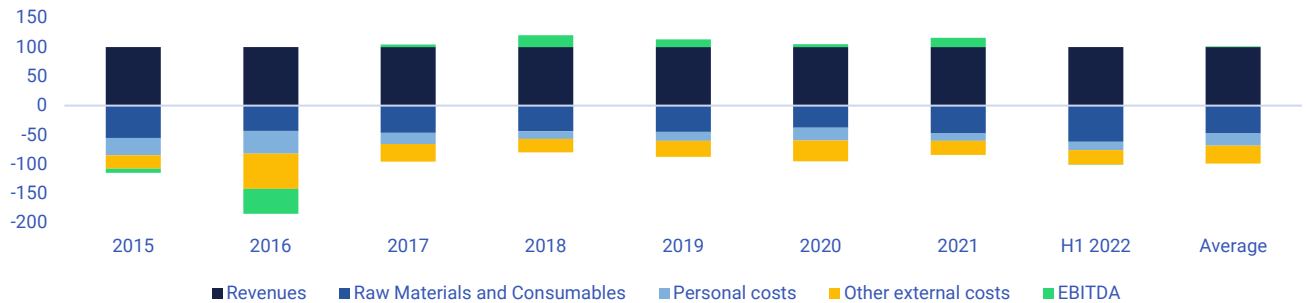
Petrosibir AB: Gross and EBITDA margin (%) FY 2015-H1 2022 and median



Source: Company Information

The chart below illustrates the ratio of various cost items in Petrosibir’s income statements to revenues in 2015-H1 2022. The gross margin was lowest in H1 2022 at 38 per cent and highest at 62 per cent in 2020. Personnel and other external costs accounted for only 36 per cent of revenues in 2018. This cost-to-revenue ratio was highest at 99 per cent in 2016 (excluding costs of raw materials and consumables).

Petrosibir AB: Revenues=100. Costs and EBITDA as % of revenues FY 2015-H1 2022



Source: Company Information, Carlsquare (calculations).

That means that oil production has decreased in the Petrosibir Bashkirie fields during the first nine months of 2022, with 25 per cent in Q1 2022, 18 per cent in Q2 and 17 per cent in Q3, as illustrated in the graph below. Declining oil production reduces the prospects for the profitable operation of the Bashkirie fields.

Petrosibir: Change in Bashkirie Oil Production Q1 2022-Q3 2022 vs Q1 2021-Q3 2021

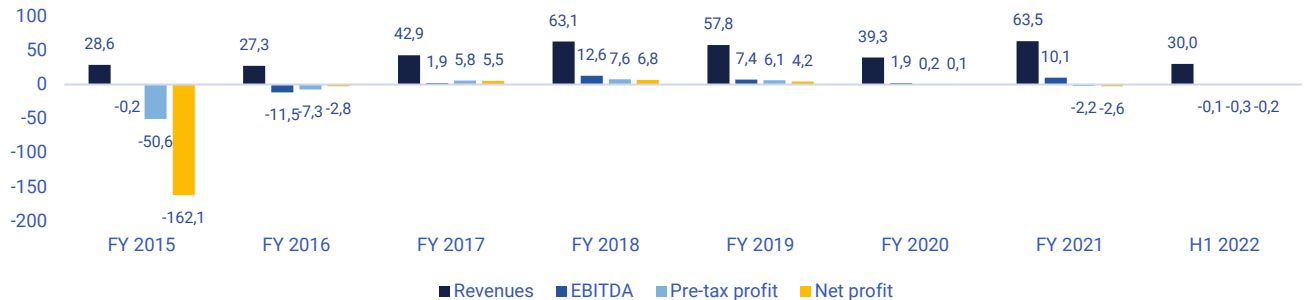


Source: Company Information

Financial results

The following chart summarises Petrosibir’s revenues and earnings from 1 January 2015 to 30 June 2022. As can be seen, profitability has been relatively poor.

Petrosibir AB: Revenues, EBITDA, PTP and Net Profit FY 2015-H1 2022 (SEKm)



Source: Company Information

While the company has reached a median gross margin of 54 per cent from 2015 to 2022, the median EBITDA margin was 5 per cent, and the net margin was only 1 per cent. That is explained by the company’s high costs relative to its revenues. The company’s production fields are relatively small and lack economies of scale.

The oil price development

As shown in the graph below, Brent oil was trading between USD 60 and 80 per barrel before the Covid breakout in March 2020. After a brief initial price decline, the oil price rose steadily towards a peak at around USD 130 per barrel in March 2022, shortly after Russia initiated military operations in Ukraine on 24 February, only to fall back to currently some USD 84 per barrel.

Brent Oil Price (USD per barrel), five-year-chart



Source: Infront

EU began to impose sanctions on Russia directly after the commencement of military operations in Ukraine in 24 February 2022. The EU has recently been working to implement a global price cap on Russian oil. Ideally, the EU would also like to become independent of imports of Russian natural gas and oil, but this can only be

achieved in a few years. China and India are currently the largest purchasers of Russian oil (with that discount).

Several media houses have reported that EU and G7 member states and Australia aim to decide on a price cap on Russian oil as of late November 2022. But the western countries still need to manage to agree on such terms. Instead, as seen in the graph below, Urals Crude Oil is traded near the suggested price cap levels, at some 66 USD per barrel.

Urals Crude Oil price (USD per barrel), five-year-chart



Source: Trading Economics

Urals oil is the reference oil brand used as the price benchmark for Russian oil exports. Pricing is also commonly seen as a discount to Brent crude oil.

Since the middle of August 2022, the general discount on Russian oil has been between USD 20 and 25 per barrel compared to the world market price of Brent oil. It has been necessary for Petrosibir to accept an additional discount of USD 5 per barrel to sell its oil in the local area in Russia. The advantage is that this result in lower transport costs for the company.

Share prices of companies listed on the Moscow Stock Exchange fell by more than 90% after Russia initiated military operations in Ukraine on 24 February 2022. That was followed by severe economic sanctions on Russia from the EU, the US, and other NATO countries. For a short period, the Moscow stock exchange was closed for trading. The sanctions that had the most significant short-term impact on stock trading were the exclusion of most Russian banks from the Swift interbank payment systems. That made all types of transactions for Russian assets, including shares, significantly more challenging to trade. On 28 February 2022, the central bank of Russia was blocked from accessing more than USD 400 billion in foreign-exchange reserves held abroad.

Numerous European and US multinational companies have divested or shut down their operations in Russia since 24 February 2022. That has involved factories, restaurants, shops and department stores, etcetera being sold or abandoned. Global companies such as Apple, H&M, Ikea, and McDonald's are now taking these huge losses means that they all believe it will not be possible to do business in Russia for many years to come. Should the war in Ukraine come to an unexpected end or a regime change would occur in Russia, these conditions could change again, but it is not very likely.

Moscow Stock Exchange (MOEX) Index, five-year chart



Sources: Trading Economics.

The currency sanctions forced Russia to demand payment in rubles when selling oil and gas to foreign countries. That reinforced the value of the Russian ruble to a surprising extent. Meanwhile, the sanctions have significantly impacted the Russian economy and triggered a domestic financial crisis.

Russian Ruble/SEK exchange rate



Sources: Forex.

The suggested transaction

Pavel Tetyakov, the CEO of Petrosibir AB and its Russian subsidiaries, has offered the company's board to buy out the assets in Bashkiria, i.e., 100 per cent of Ingeoholding and 51 per cent of UFA Petroleum, for RUB 28 million, which is approximately equivalent to SEK 4.8 million. The offer is conditional on the debt of Ingeo and UFA to Petrosibir being zero at the time of the transaction. If the board proceeds with the offer, the loans must be waived. The offer is non-binding and is subject to the approval of the general meeting (of Petrosibir) and the approval of the Russian authorities.

We interpret this as the total amount of Fixed Assets (SEK 10,763 thousand) plus SEK 20 thousand in receivables from group companies or approximately SEK 10.78 million in Petrosibir's Control Balance Sheet represents the value of the company's Russian oil assets as of 31 August 2022. The Komi deposits are owned to 49 per cent via Ripiano Holdings Ltd (100 per cent). These shares have been written down to zero in the Control balance sheet of Petrosibir as of 31 August 2022. In other words, Petrosibir would incur a loss of approximately SEK 5.94 million if the board decides to divest its Russian oil assets to Pavel Tetyakov on the proposed terms.

In the table below, we have copied Petrosibir AB's control balance sheet as of 31 August 2022 and then adjusted it for the effects of the proposed transaction.

Control Balance Sheet for Petrosibir AB and the effects of the transaction

Amounts in SEK 1,000	31-Aug-22	Proposed transaction	Post transaction
Shares in group companies	4 917	-4 917	0
Receivables from group companies	5 846	-5 846	0
Total Fixed Assets	10 763	-10 763	0
Receivables from group companies	20	-20	0
Other receivables	28		28
Prepaid expenses	362		362
Cash	1 285	4 844	6 129
Current Assets	1 695	4 824	6 519
TOTAL ASSETS	12 458	-5 939	6 519
Share capital	180 806		180 806
Other paid-in capital	257 485		257 485
Reserves	-11 451		-11 451
Retained earnings	-415 152	-5 939	-421 091
Total Equity	11 688	-5 939	5 749
Accounts payable	154		154
Other liabilities	2		2
Accrued expenses	614		614
Total current liabilities	770	0	770
TOTAL EQUITY AND LIABILITIES	12 458	-5 939	6 519

Company valuation: Discounted Cash Flow

We have applied a DCF model as one of three ways to estimate the market value of Petrosibir AB: s operations.

Here we have projected the companies' revenues and earnings before depreciation (cash flows) over the forecast period from H2 2022 to 2026. We have then discounted these using a discount rate based on CAPM since the company should be free of debt as of 31 August 2022. Finally, we have calculated the present value of these estimated future cash flows.

DCF-valuation: Discount rate for Petrosibir AB

In our cash flow valuation, we have used an annual discount rate of 20.67 per cent, calculated as follows.

We have used the CAPM (Capital Asset Pricing Model) to derive the return on equity requirement. The risk-free rate (r_f) is represented in our model by the interest rate on a 10-year Swedish government bond, which was 1.86 per cent as of 28 November 2022. Concerning PWC's report "The Risk Premium on the Swedish Equity Market" dated April 2022, we have applied a risk premium for a well-diversified Swedish equity portfolio of 6.6 per cent. According to the same PWC report, we estimate the small company premium for a company like Petrosibir AB to be 4.2 per cent. We have assumed a beta (β) of 1.3 times, considering that this oil exploration company operates in Russia under internal sanctions and with a somewhat volatile revenue (oil price) development. Finally, we have added a company-specific risk premium of 4.77 per cent to our discount rate, calculated as 30 per cent of r_e (return on equity before the company-specific risk premium).

We, therefore, calculate the return on equity (r_e) at 20.67% according to the formula below:

$$\begin{aligned} \text{CAPM, } r_e &= r_f + \beta(r_m + Sp - r_f) + B \\ &= 1.86 \% + 1,3 \times (6.6\% + 4.2\%) + 4.77\% \\ &= \mathbf{20.67\%} \end{aligned}$$

DCF-valuation: Petrosibir AB

We have made a cash flow forecast for Petrosibir's operations for the second half of 2022 and the years 2023-2026. We have assumed the outturn for the first half of 2022 and have taken some account of the company's budget for 2023. Based on the historical outturn, we have set a low level for profitability, assuming a gross margin of 42 per cent in the second half of 2022, gradually improving by one percentage unit to reach 46 per cent gross margin for the full year 2026.

In the Bull scenario, we anticipate 10 per cent higher revenues in the second half of 2022 than in the Base scenario. After that, we have forecast 15 per cent higher revenues in 2023, 20 per cent higher revenues in 2024 and 15 per cent higher revenues in 2025 and 2026 compared to our Base case.

Similarly, we have assumed 10 per cent lower revenues in the Bear scenario for the second half of 2022 than in our Base scenario. For the full year 2023, we are at 85 per cent of the Base case revenue level, at 80 per cent for 2024 and 85 per cent for 2025 and 2026.

Regarding personnel and other external costs, we have chosen to set them at the same level in all three scenarios: Bear, Base and Bull. Given this, the EBTIDA margin is 0.2 per cent in the second half of 2022, gradually increasing to 4.2 per cent for the full year 2026.

We apply an annual discount rate of 20.67 per cent to calculate the present value of the annual cash flows in all three scenarios.

To estimate a residual value of cash flows after 2026, we have applied a 2.0 per cent long-term growth rate in the Bear scenario and 2.5 and 3.0 per cent, respectively, under the Base and Bull scenarios.

From the summed present value of all cash flows, including the terminal value, we have subtracted the Group's net interest-bearing debt, which is zero as of 31 August 2022.

Given these assumptions, we obtain an estimated DCF value of SEK 9.3m in the Base case. That varies from negative (minus SEK 13.4m) in the Bear scenario to positive (SEK 25.6m) under the Bull scenario.

Cash flow valuation of Petrosibir AB in three scenarios

DCF-valuation Petrosibir AB, Base case (SEK 1,000)	H2 2022E	2023E	2024E	2025E	2026E	Termin.value
Revenues	27 500	57 750	60 638	63 669	66 853	
Raw Material and Consumables	-15 950	-32 918	-33 957	-35 018	-36 101	
Other external expenses	-11 500	-24 150	-25 358	-26 625	-27 957	
EBITDA	50	683	1 323	2 026	2 796	
EBITDA-margin	0,2%	1,2%	2,2%	3,2%	4,2%	
Tax	-8	-102	-198	-304	-419	
Free cash flow	43	580	1 125	1 722	2 376	13 405
Present value cash flow operations	44	520	835	1 060	1 212	5 666
Present value cash-flow	9 337	SEK million				
Net Debt as of 31 Aug 2022:	0	SEK million				
Estimated Market Value:	9 337	SEK million				
Annual discount rate:	20,67%					
Long-term annual growth assumption:	2,5%					

DCF-valuation Petrosibir AB, Bull case (SEK 1,000)	H2 2022E	2023E	2024E	2025E	2026E	Termin.value
Revenues	30 250	66 413	72 765	69 733	73 220	
Raw Material and Consumables	-17 545	-37 855	-40 748	-38 353	-39 539	
Other external expenses	-11 500	-24 150	-25 358	-26 625	-27 957	
EBITDA	1205	4407	6659	4755	5724	
EBITDA-margin	4,0%	6,6%	9,2%	6,8%	7,8%	
Tax	-181	-661	-999	-713	-859	
Free cash flow	1 024	3 746	5 660	4 041	4 866	28 363
Present value cash flow operations	1 057	3 357	4 204	2 487	2 482	11 988
Present value cash-flow	25 575	SEK million				
Net Debt as of 31 Aug 2022:	0	SEK million				
Estimated Market Value:	25 575	SEK million				
Annual discount rate:	20,67%					
Long-term annual growth assumption:	3,0%					

DCF-valuation Petrosibir AB, Bear case (SEK 1,000)	H2 2022E	2023E	2024E	2025E	2026E	Termin.value
Revenues	24 750	49 088	48 510	54 119	56 825	
Raw Material and Consumables	-14 355	-27 980	-27 166	-29 765	-30 685	
Other external expenses	-11 500	-24 150	-25 358	-26 625	-27 957	
EBIT	-1 105	-3 042	-4 013	-2 272	-1 817	
EBIT-margin	-4,5%	-6,2%	-8,3%	-4,2%	-3,2%	
Tax	0	0	0	0	0	
Free cash flow	-1 105	-3 042	-4 013	-2 272	-1 817	-9 928
Present value cash flow operations	-1 140	-2 727	-2 980	-1 398	-927	-4 196
Present value cash-flow	-13 368	SEK million				
Net Debt as of 31 Aug 2022:	0	SEK million				
Estimated Market Value:	-13 368	SEK million				
Annual discount rate:	20,67%					
Long-term annual growth assumption:	2,0%					

Comparative valuations: Transaction multiples

We have identified 219 non-quoted transactions in the last three years (21 November 2019 until 21 November 2022) with the target sectors of Exploration and drilling services and equipment or Oil and gas exploration and production using the Mergermarket database.

In the search, we set the domicile of the acquisition target company to Europe, the USA, or Canada.

We present the result in the table below and on the next page. We have derived the market values of Petrosibir Russian oil operations (excluding the 49 per cent stake in Komi) by multiplying with the median multiples of the transaction group. We have used each company's revenues and EBIT results in LTM. We have assumed that the Petrosibir Russian oil operations, when acquired, should be free of any debt.

Deriving market value for Petrosibir by using a discount for Russian assets

An essential part of our valuation is to estimate the justified discount for transactions with Russian companies and assets compared to Western Europe and the US or Canada. As a benchmark, we use the Russian state-owned gas company Gazprom, valued at P/E 4.1x. We then compare this with a 10-year average p/e of the S&P 500 index oil sector 11.8 times as of January 2022. That indicates a justified discount of 65 per cent for Russian assets compared to companies in Western Europe, the US and Canada. Given that S&P 500 companies are valued slightly below the 10-year average P/E, we lower the justified discount for Russian companies to 60 per cent. We also use this discount in the Trading valuation later.

We get an estimated market value for Petrosibir of 8.5 SEK million. That is based on comparable transactions and discounts the value by 60 per cent, as elaborated above.

Exit multiples - 49 deals	Revenue	No.	EBITDA	No.	EBIT	No.	Earnings	No.
Average	3,5x	44	7,8x	35	16,4x	27	50,2x	27
Median	0,9x	44	4,1x	35	11,4x	27	12,8x	27
Adjusted average	3,1x	42	7,2x	33	14,7x	25	29,5x	25
Discount factor for Petrosibir	60%		60%		60%		60%	
Market Value Petrosibir (SEKm)	22,1		3,3		0,5		8,2	
Average (SEKm):	8,5							

Studying all deals with disclosed values on revenues, EBITDA, EBIT or Earnings, there is some difference between the multiples, compiled in the table below.

Exit multiples - 65 deals	Revenue	No.	EBITDA	No.	EBIT	No.	Earnings	No.
Average	3,5x	44	7,8x	35	16,4x	27	50,2x	27
Median	0,9x	44	4,1x	35	11,4x	27	12,8x	27
Adjusted average	3,1x	42	7,2x	33	14,7x	25	29,5x	25

A list of comparative deals with key ratios from the Mergermarket database

Year	Target	Target, Country	Buyer	EV/Revenue	EV/EBIT	EV/EBITDA	P/E
2022	Hurricane Energy Plc (100% Stake)	United Kingdom	Undisclosed bidder	0,64	3,90	0,94	4,16
2022	Undisclosed Target (100% Stake)	United Kingdom	Black Diamond Group Limited	1,54		13,32	
2022	RWE AG (9.09% Stake)	Germany	Qatar Investment Authority	1,02	14,03	16,63	17,69
2022	Polski Koncern Naftowy Orlen S.A. (PKN Orlen)	Poland	PKO BP SA	0,17	1,52	1,23	2,25
2022	Polski Koncern Naftowy Orlen S.A. (PKN Orlen)	Poland	Powszechny Zaklad Ubezpieczen SA	0,26	2,32	1,88	2,29
2022	Fluxys SA (19.85% Stake)	Belgium	Energy Infrastructure Partners AG	8,77	38,53	17,28	27,91
2022	Uniper SE (5.78% Stake)	Germany	Government of Germany	0,07			
2022	Polskie Gornictwo Naftowe i Gazownictwo SA	Poland	Polski Koncern Naftowy Orlen S.A. (PKN C	0,39	2,45	1,87	4,79
2022	Shell Midstream Partners, L.P. (39.32% Stake)	USA	Royal Dutch Shell Plc; Shell Oil Company	16,95	41,95	34,40	12,77
2022	Uniper SE (92.78% Stake)	Germany	Government of Germany	0,06			
2022	Lamprell Plc (56.78% Stake)	Isle of Man	Al Gihaz Holding; Blofeld Investment Man	0,11			
2022	Serica Energy plc (100% Stake)	United Kingdom	Kistos Plc	1,85	3,86	3,35	13,63
2022	Lamprell Plc (80.81% Stake)	Isle of Man	Al Gihaz Holding	0,10			
2022	ERG S.p.A. (21.68% Stake)	Italy	IFM Investors	5,74	24,62	12,10	23,43
2022	Grupa LOTOS S.A. (100% Stake)	Poland	Polski Koncern Naftowy Orlen S.A. (PKN C	0,43	2,79	2,43	3,63
2022	Capricorn Energy Plc (100% Stake)	United Kingdom	Tullow Oil Plc	12,50			1,04
2022	Capricorn Energy Plc (33.63% Stake)	United Kingdom	Capricorn Energy Plc	22,58			1,72
2022	Undisclosed Target (100% Stake)	United Kingdom	Brightcom Group	3,94			
2022	Palaeontol B.V. (40% Stake)	Kazakhstan	Tsang Ling Kay Rodney (Private Investor)	6,50			
2022	Angus Energy plc (85.21% Stake)	United Kingdom	Sound Energy Plc	328,09			
2021	BP Midstream Partners LP (45.65% Stake)	USA	BP Plc	16,04	26,25	25,38	9,99
2021	Esvagt A/S (50% Stake)	Denmark	3i Infrastructure plc	4,61		13,74	
2021	Vivo Energy plc (63.95% Stake)	United Kingdom	Vitol Group	0,39	11,42	7,46	30,88
2021	The Drilling Company of 1972 A/S (89.73% Stak	Denmark	Noble Corp.	1,55	14,15	5,46	380,06
2021	Marubeni Oil & Gas (U.K.) Limited (100% Stake	United Kingdom	Delek Group Ltd.; Ithaca Energy Limited	3,94			
2021	Petroteq Energy Inc (100% Stake)	USA	Viston United Swiss AG	1570,56			
2021	Ocean Yield ASA	Norway	KKR & Co. Inc.	3,16	13,11	3,40	
2021	Technip Energies N.V. (9.88% Stake)	France	HAL Investments B.V.	0,35	3,84	3,11	9,70
2021	Ultragas ApS	Denmark	Navigator Holdings Limited	0,35			
2021	Hess Midstream Partners LP (10.98% Stake)	USA	Hess Midstream Partners LP	7,93	15,02	11,81	18,05
2021	TEPKRI Sarsang A/S	Denmark	ShaMaran Petroleum Corp.	3,58	21,71	11,67	23,29
2021	Hess Denmark ApS	Denmark	INEOS AG	1,70			
2021	Zennor Petroleum Limited	United Kingdom	NEO Energy	7,43			
2021	Naturgy Energy Group (10.83% Stake)	Spain	IFM Investors	2,27	74,87	10,12	
2021	Technip Energies N.V. (50.1% Stake)	France	TechnipFMC Plc (shareholders)	0,38	4,17	3,38	10,43
2020	Werkzeugbau Laichingen GmbH; Domer GmbH	Germany; Germany; Ge	Evoco AG	0,55			
2020	Western Generation Partners, LLC	USA	ContourGlobal Plc			9,51	
2020	Volga Gas Plc	United Kingdom	Gem Capital	0,32		2,99	2,53
2020	Protek Norr AB	Sweden	Nordisk Bergteknik AB	0,42			
2020	Husky Energy Inc.	Canada	Cenovus Energy Inc.	0,49		2,83	
2020	PNM Resources, Inc.	USA	AVANGRID, Inc.	5,13	51,82	16,78	51,86
2020	Chrysaor Holdings Limited	United Kingdom	Harbour Energy Plc	1,96	6,05	2,75	12,82
2020	The Weir Group Plc (Oil & Gas division)	USA	Caterpillar Inc.		8,59		
2020	OneStim	USA	Liberty Oilfield Services Inc.	0,13		1,54	
2020	Aarbakke AS (50% Stake)	Norway	Westco Investing AS	0,70	4,63	4,11	
2020	Kvaerner ASA	Norway	Aker Solutions ASA	0,17	3,05	2,20	618,80
2020	Columbus Energy Resources plc	United Kingdom	Challenger Energy Group Plc	4,01			
2020	Quintana Energy Services Inc.	USA	KLX Energy Services Holdings, Inc.	0,07			
2020	MVV Energie AG (45.08% Stake)	Germany	First State Investments (UK) Limited	0,82	19,00	9,01	36,20
2020	EVN AG (28.35% Stake)	Austria	Wiener Stadtwerke GmbH	1,58	9,11	5,46	9,24
2020	Wood Group Industrial Services Limited	United Kingdom	KAEFER Isoliertechnik GmbH & Co. KG	0,53			
2020	Granite Oil Corp	Canada	International Petroleum Corporation	2,51			
2019	Tallgrass Energy, LP (86.8% Stake)	USA	Tallgrass Energy, LP consortium	9,40	21,27	16,16	17,68

Comparative valuations: Trading multiples

We have selected a quoted peer group for Petrosibirs Russian operations of three Swedish, four Norwegian and three US-based oil companies.

We present the key ratios for the quoted companies in the table below. We arrive at a justified market value of SEK 13.6 million for Petrosibir by applying the median multiples of the peer group for four different ratios (P/E, EV/EBIT, EV/Revenues, and Price/Equity) and use the 60% discount to consider the fact that Petrosibir operates in Russia.

Company	Market Cap (million)	Currency	P/E	EV/EBITDA	EV/Revenues	Price/Equity
Africa Oil Corp	10 314	SEK	5,6	1,8	0,6	0,9
Aker BP	207 303	NOK	11,1	2,6	2,1	1,8
BP PLC	642 042	USD	33,1	20,8	3,7	11,0
Chevron Corp	3 716 704	USD	236,6	59,6	16,7	23,4
DNO	12 958	NOK	3,2	1,0	0,7	1,0
Enquest PLC	5 552	SEK	1,1	1,5	0,9	0,7
Equinor	116 857	USD	4,8	2,3	1,2	2,7
Exxon Mobil Corp	466 314	USD	16,2	15,0	5,9	2,5
Shamaram Petroleum Corp	1 985	SEK	1,8	4,0	2,4	1,3
Subsea 7	31 905	NOK	120,9	5,6	0,6	0,8
Average			43,4	11,4	3,5	4,6
Median	217 668	SEK	8,4	3,3	1,6	1,5
Median with a 60% discount			3,3	1,3	0,7	0,6
Justified Market value Petrosibir (SEK million)	13,6		5,3	2,6	39,1	7,2

The combined estimate of the market values

Finally, we have weighted the results of the valuation of Petrosibirs operations (excluding the stake 49 per cent in Komi) according to the three different methods we have used: cash flow (DCF), comparative multiples for unlisted transactions, and relative multiples for listed companies (shares). We present the results in the tables below.

We obtain a weighted estimated market value of Petrosibirs operations (excluding Komi) of SEK 0.9 million in a Bear scenario, SEK 10.4 million in a Base scenario, and SEK 28.6 million in a Bull scenario.

Estimating the market value of Petrosibir with three methods	Bear	Base	Bull
Motivated market value based on DCF valuation (SEK million)	0,0	9,3	25,6
Motivated market value based on transaction multiples (SEK million)	0,5	8,5	22,1
Motivated market value based on trading multiples (SEK million)	2,6	13,6	39,1
Applied on DCF-valuation	40%	40%	40%
Applied on transaction multiples	30%	30%	30%
Applied on trading multiples	30%	30%	30%
Total weight for all alternatives.	100%	100%	100%
Combined estimated market value for Petrosibir (SEK million)	0,9	10,4	28,6

Valuation summary

In our Base scenario, we arrive at a combined market value of SEK 10.4 million for Petrosibir's operations in Russia (excluding Komi).

The proposed sale to the company's local Russian CEO, Pavel Tetyakov, represents a purchase price of SEK 4.8 million. That is between our estimated market value for the business under the Bear scenario of SEK 0.9 million and our value under the Base scenario of SEK 10.4 million. That considers a discount on selling Russian shares and companies generally of 60 per cent in our unlisted transaction and listed peer company comparisons.

Overall, we believe that a sale of Petrosibir's Russian business on the proposed terms falls within the lower range of an assessed likely market value.

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