



# Energizing a bright future for Suriname

## Summary Annual Report 2022

STAATSOLIE  
MAATSCHAPPIJ  
SURINAME N.V.





**Confidence  
in our own  
abilities**





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# Message of the Managing Director

I am very pleased to report, on behalf of all my colleagues, that 2022 was another exceptionally positive year for Staatsolie. Starting with our safety record, we are happy to announce that our Total Recordable Injury Frequency Rate (TRIFR) dropped to 1.30 from 4.15 in 2021. Diligent efforts were made in this regard and will continue at an elevated level in 2023. Regarding our production targets, we exceeded our targets in both oil production and energy generation and our refinery produced a record high quantity of diesel and gasoline. Regarding the offshore potential for future hydrocarbon production, we made great steps as well with one successful exploration well and one successful appraisal well in Block 58. The appraisal well confirmed our expectations on the reserves in the Sapakara reservoir. Our financial performance improved in every major category, with a major push from high oil prices. In 2022, we updated our strategic plan for the next five years complementing our existing focus, by further stepping up our emphasis on developing the offshore as fast as practically possible and strengthening our Environmental, Social and Governance (ESG) efforts.

## Financial Results

Key financial results for 2022 include:

- Consolidated gross revenues of US\$ 840 million, 51 percent higher than 2021's US\$ 558 million.
- Profit before tax of US\$ 430 million, up from US\$ 224 million in 2021.
- EBITDA of US\$ 648 million, up from US\$ 398 million in 2021.
- Contribution to the Government of Suriname of US\$ 320 million, compared to US\$ 186 million in 2021.

This year's improved results are due to a high oil price, high production outcomes, and continued implementation of company-wide optimization and cost reduction programs. The average oil price was US\$ 93 per barrel in 2022, compared to US\$ 70 per barrel in 2021.







### Production Overview

In 2022, we produced 6.14 million barrels of Saramacca Crude, about 190,000 barrels above our target, and our refinery produced a record 3.3 million barrels of ultra-low sulfur diesel and gasoline. In retail, our subsidiary GOw2 increased its market share from 37 to 39 percent whilst further upgrading and expanding its retail outlets.

In our crude operations, the efforts to add reserves and production continued. In this regard, the polymer plant and polymer injection in 15 injector wells – phase I of our Polymer Project – were commissioned in March 2022. In addition, the cyclic steam stimulus pilot project was started in 2022, another Enhanced Oil Recovery project. At the refinery, sweet gas was introduced in the process instead of being flared, which led to an increase of approximately 300 barrels per day of gasoline production.

Higher than average rainfall in 2022 allowed us to generate approximately 1.2 million MWh, 173,000 MWh more than planned, from our Afobaka hydropower plant, which enabled Suriname to save approximately US\$ 26 million on its electricity cost in 2022.

Our investments in gold mining operations, which provide a measure of diversification, yielded US\$ 24 million less in 2022 compared to the previous year (US\$ 112 million), due to factors including moving from saprolite to hard rock acreage and heavy rainfalls resulting in geotechnical challenges in the mines.

**6.14 MMbbls**

Saramacca  
Crude

**3.3 MMbbls**

Ultra-low sulfur  
diesel and gasoline

**1.5 MM MWh**

Power generation  
(hydro + thermal)



## Offshore Potential

In 2022, the immense hydrocarbon potential of Suriname's offshore waters was further underscored by events including yet another significant discovery in deepwater Block 58 by TotalEnergies (TE) and APA Corporation (APA). This marks the fifth discovery from the eight exploration wells that have been drilled in Block 58, a 60 percent exploration success rate significantly above the world average of 25 percent. While TE and APA continue their technical and commercial evaluation, we are optimistic that a Declaration of Commerciality will follow in the not-too-distant future for the planned development of a production field in Block 58.

Though Block 58 is still the most immediate candidate for potential development, exploration activities proceeded apace in multiple deepwater blocks, including:

- In Block 42, an exploration well drilled by Shell, Chevron, and Hess showed encouraging results for further exploration in the block.
- In Block 53, APA, Petronas and CEPSA made a discovery at the exploration well Baja-1, with results under evaluation.
- In Block 52, exploration wells for 2023 have been identified by Petronas and ExxonMobil.

Staatsolie also remains excited about the earlier Sloanea-1 gas find in Block 52, and its potential to be developed as a commercial gas production field. Staatsolie has engaged in early discussions with Petronas in this regard.

In line with our vision and strategic goals, we launched a competitive bid round in November 2022 for six new blocks in the Demerara area, which lies east of the current offshore discoveries.

Additionally, the first two phases of a 3D seismic survey of the Shallow Offshore area (south of the deepwater blocks) by a consortium of international companies was completed in 2023, providing seismic data that deepens our understanding of this promising area and its drilling prospects. A total of 14,800 km<sup>2</sup> of high-resolution 3D data was acquired, leading to a significant uplift of value to the area compared to the 2D seismic data coverage that was present in the area before. A 3D survey was also reprocessed which also enhanced the data such that drillable prospects can be generated.

As a further indication of the basin's great promise, in April 2022, Staatsolie and Chevron signed a Production Sharing Contract for Block 7 in the Shallow Offshore. Staatsolie has a participating interest of 20 percent through our subsidiary Paradise Oil Company N.V. (POC). To this end, POC and Chevron entered a Joint Operating Agreement (JOA).





### Increased ESG Attention

To further increase the focus on Environmental, Social and Governance priorities, the ESG Committee was established in 2021. Key ESG initiatives in 2022 included finding and implementing ways to reduce our company's carbon emissions and exploring the development of alternative energy sources, such as solar. In 2022, our emissions were reduced by at least 5 percent by utilizing our sweet gas that was previously flared, reducing steam losses, and utilizing methane gas which was previously vented.

Promoting positive social change is another priority. In 2022, we spent more than US\$ 2 million on social investments.

The safety of our people is a top priority. In the past year, the process for certification according to ISO standards for environment and safety was initiated. Our downstream directorate (consisting of the Refinery and Marketing) and our SPCS subsidiary obtained the ISO-14001 and ISO-45001 certificate. Certification of our remaining organizational units including GOw2 will be completed in 2023.

In terms of governance, we have a rigorous Corporate Governance system setting out amongst others, the responsibilities and accountabilities of our Board of Executive Directors and Supervisory Board. The biennial review of charters in this regard started in 2022. The development and implementation of internal control mechanisms has progressed and will be continued in 2023 according to plan.

### Looking Ahead

As the state oil company of Suriname, we are proud to play a pivotal role in our country's social and economic life for more than 40 years. We are even more excited about the role we can play in its future. With the activities and results to come to a first development in the offshore progressing well and with our initiatives to provide Suriname with cleaner energy options, we truly look forward to "Energizing a bright future for Suriname."

We sincerely thank all our stakeholders for contributing to our successful year in 2022. These include our shareholder the Government of Suriname, the supervisory board, our employees, contractors and suppliers, our IOC partners, financing partners, investors and our customers. Some special words of appreciation for our employees are befitting as I need to emphasize that producing at the upper end of our capacity does not come without its challenges. It requires deep efforts from our employees, and I applaud them for achieving these satisfactory results in a safe manner.

### Annand Jagesar Managing Director/CEO





# Report of the Supervisory Board

The Supervisory Board is responsible for supervision of the Executive Board of Directors (BoED) and the policies executed. In addition, it acts as an advisor and sounding board for the BoED.

The articles of association and the charter of the Supervisory Board outline its tasks, responsibilities, and authority. These documents describe the positioning, authority, responsibilities, composition, appointment procedures and procedures for resignation of the Supervisory Board.

## Composition

The Supervisory Board consists of at least five and a maximum of seven members. Appointments are subject to the procedures laid down in the articles of association and the charter of the Supervisory Board. The members of the Supervisory Board have diverse backgrounds and areas of expertise.

Members of the Supervisory Board are independent and have no close personal or business relationship with fellow board members, Executive Board members, employees, company staff or important external stakeholders. They also have no interests whatsoever in Staatsolie.

In an extraordinary meeting of shareholders held on 20 October 2022, the following Supervisory Board members stepped down:

- L. Brunswijk
- M. Santokhi-Seenacherry
- N. Nannan

H. Dorinnie resigned at his own request on 31 March 2022.

The Supervisory Board would like to thank the outgoing members for their dedication and commitment to Staatsolie.

As of October 20, 2022, the Supervisory Board is composed as follows:

- H. Alendy, Chair
- J. Bousaid, Vice Chair
- M. Srihar Doobe, Secretary
- G. Asadang, Member
- D. Caffé, Member
- B. Dwarkasing, Member
- L. Jack, Member





### Supervisory Activities

The Supervisory Board supports the BoED in achieving its objectives, aimed at maximizing short and long-term value for Staatsolie and Suriname.

In 2022, supervision mainly focused on assessment of the strategic company policy, internal organization, risk management, preparation for participation in the offshore oil and gas industry, oil production, and corporate governance.

Ernst & Young has been appointed as chartered accountant by the Supervisory Board to regularly audit the financial statements in accordance with Article 22 of the Articles of Association and to report to the Supervisory Board on the audit of the Financial Statements. During the fiscal year, the Supervisory Board also used external experts in areas where it needed specialized knowledge.



## Committees

To optimize the efforts of the members of the Supervisory Board, specific sub-tasks have been assigned to three specialized committees of the Supervisory Board. The staffing of the committees has been adjusted with the members appointed in October 2022.

### Audit Committee

As of November 2022, the Audit Committee consists of J. Bousaid (chair), G. Asadang, B. Dwarkasing, and L. Jack. The tasks and responsibilities of the committee are laid down in the Audit Committee Charter.

During the year the committee had several meetings with the BoED, the Internal Audit division and the external auditor regarding the audit of the 2021 financial statements, review of the annual audit plan and the periodic review of the audit charter. There have also been several meetings regarding the planning for the audit of the 2022 financial statements, including regular progress meetings. In the plenary meetings, the recommendations of Internal Audit and the external auditor were discussed, as well as the opinions of the Audit Committee and corresponding follow-up. The functioning of Internal Audit, its capacity (both qualitatively and quantitatively), the audit reports, the realization of the current annual audit plan and the composition of the coming annual audit plan were also discussed.



### Risk & Compliance Committee

As of November 2022, the Risk & Compliance Committee consists of D. Caffé (chair), M. Srihar Doobe, L. Jack and B. Dwarkasing. The duties and responsibilities are laid down in the Risk & Compliance Committee Charter.

During 2022, the Risk & Compliance Committee had various internal and external consultations, including with the Integrity Committee and the manager of Staatsolie's Governance, Risk & Compliance division. The Risk & Compliance Committee focuses on the overall risk management policies and control systems of the various risk areas, including compliance risk. The various risk areas were evaluated based on Staatsolie's risk appetite and risk tolerance. The risk report, which is presented to the Supervisory Board every six months, as well as the review and progress of the risk & compliance program were discussed and processed.

### Nomination and Remuneration Committee

As of November 2022, the Nomination and Remuneration Committee consists of G. Asadang (chair), M. Srihar Doobe, J. Bousaid and D. Caffé.

The committee held several meetings during the year under review. The remuneration and performance of the BoED and the company's organizational structure were discussed in these meetings, amongst others.

## Important themes and actions in 2022

The Supervisory Board took various actions during the reporting period, namely:

- Further operationalization of the specialized committees of the Supervisory Board. Some notable activities of these committees in 2022:
  - Recommendations on strengthening Internal Audit.
  - Provide support to the company in getting Enterprise Risk Management fully operational, whereby the company operates risk based.
  - Initiate a renewed remuneration policy.
  - Measures to strengthen corporate governance.
- Actions regarding supervision of subsidiaries and the relationship between the supervisory boards of those companies and the Supervisory Board of the parent company.
- Optimizing environmental monitoring measures for performance reporting.
- Contribution of the Supervisory Board regarding the identification of business risks.
- The Supervisory Board has contributed to the revised strategic plans of Staatsolie, laid down in their vision 2040 that sets out Staatsolie's added value to Suriname, scenario-driven strategic choices, success-determining factors and diversification of the company.
- Embedding ESG (environment, social, governance) criteria in the company's strategic planning.

## Meetings

The Supervisory Board meets according to a predetermined meeting schedule and activities calendar, and as often as deemed necessary. It also meets regularly with the BoED, at least once a month. There is also regular and periodic consultation with the shareholder.

In 2022, the Supervisory Board held 37 regular meetings, nine of which with the BoED, and four with the shareholder. Attendance averaged 82 percent. Board members participated actively in the discussions and decision-making of the board and its committees.

The Supervisory Board also visited Staatsolie business locations and joint venture partners to closely examine the operations.

To improve its role and performance, periodic self-assessment and self-regulation at individual and team level are of significant importance. Based on this consideration and although satisfied with its performance in the financial year 2022, the Supervisory Board hired an external expert to further optimize its effectiveness.





## Consolidated Financial Statements

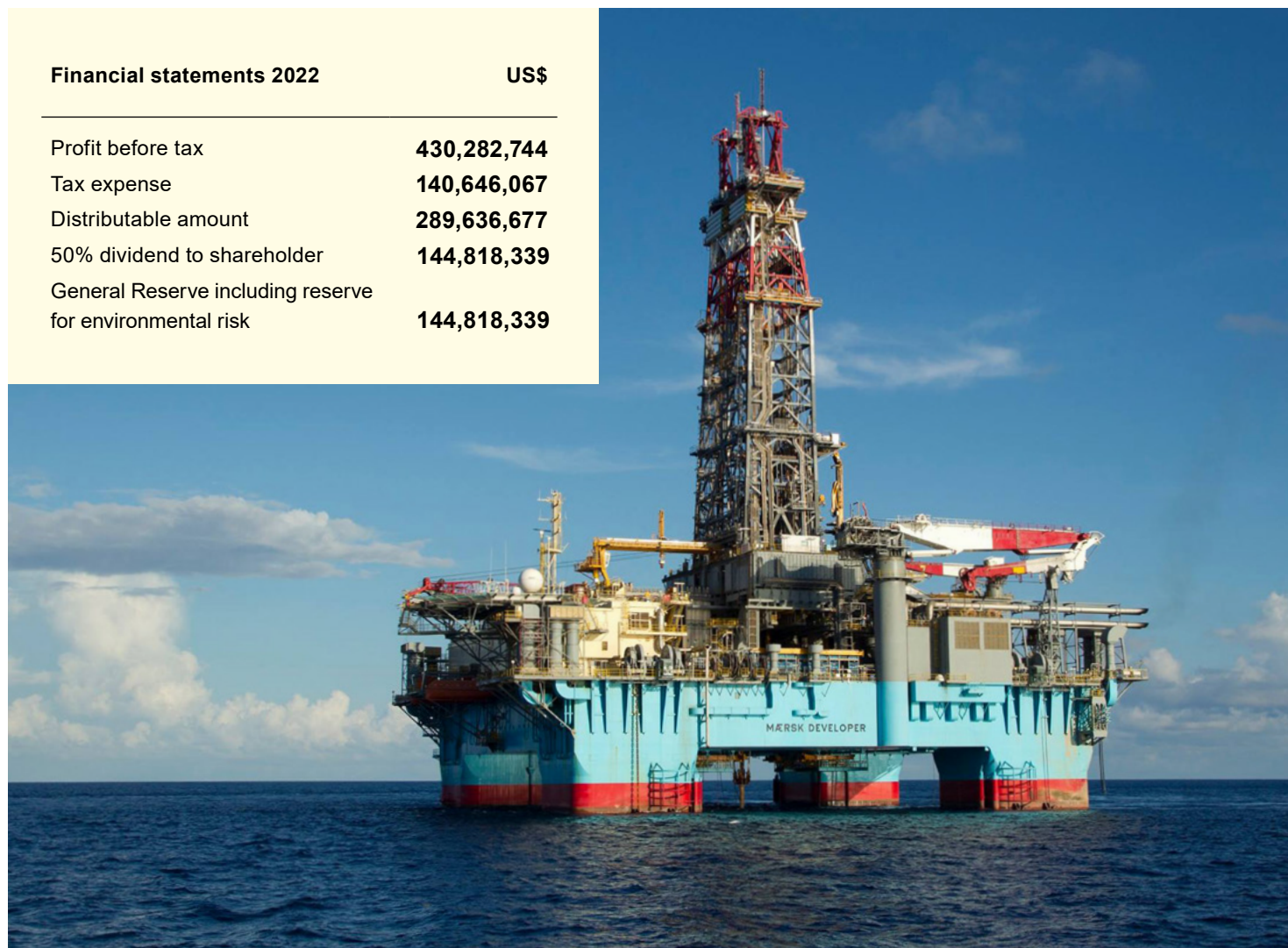
In accordance with Article 25.3 of the Articles of Association the Supervisory Board presents, the IFRS consolidated financial statements 2022 which was prepared by the Executive Board and comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the financial year 2022, as well as the accompanying notes and summary of the significant accounting policies. These financial statements have been audited by Ernst & Young Suriname. The Supervisory Board has signed the financial statements, also based on the auditor's unqualified opinion, and propose that the Shareholder adopt them pursuant to Article 27.1 of the Articles of Association. The adoption shall be deemed to grant management and the Supervisory Board a discharge from liability for its management and oversight in accordance with Article 27.2 of the Articles of Association.

Consolidated profit before tax for 2022 is US\$ 430,282,744. After deducting a provision for tax payable of US\$ 140,646,067, the distributable amount is US\$ 289,636,677. We agree with the Executive Board's proposal to pay a dividend of US\$ 144,818,339 to the Shareholder being 50 percent of the distributable amount, which is in accordance with the dividend policy, and to allocate an amount of US\$ 144,818,338 to the General Reserve. The allocation to the General Reserve includes the appropriated reserve for environmental risk of US\$ 500,000.

## Acknowledgment

The Supervisory Board thanks the Board of Executive Directors and all employees for their efforts in 2022. We also thank the customers and shareholders of Staatsolie for their confidence in the company.

| Financial statements 2022                                | US\$               |
|--|--------------------|
| Profit before tax  | <b>430,282,744</b> |
| Tax expense  | <b>140,646,067</b> |
| Distributable amount                                     | <b>289,636,677</b> |
| 50% dividend to shareholder                              | <b>144,818,339</b> |
| General Reserve including reserve for environmental risk | <b>144,818,339</b> |



# Overview Performance 2022

## 2022

6.14 MMbbls

US\$ 840 million

Fuel Oil & Crude: 2,855 Kbbbls  
Premium Diesel: 2,108 Kbbbls  
Premium Gasoline: 694 Kbbbls  
Bitumen: 57 Kbbbls

Interest coverage: 11.68  
Leverage ratio: 0.88  
Debt Service Coverage: 5.26  
EBITDA margin: 77%

### Crude Production



### Gross Revenues



### Total Sales



### Key Ratio's



## 2021

5.95 MMbbls

US\$ 558 million

Fuel Oil & Crude: 2,416 Kbbbls  
Premium Diesel: 1,903 Kbbbls  
Premium Gasoline: 632 Kbbbls  
Bitumen: 32 Kbbbls  
Other: 143 Kbbbls

Interest coverage: 8.60 (Restated)  
Leverage ratio: 1.58 (Restated)  
Debt Service Coverage: 3.29  
EBITDA margin: 69%



# Macro-economic Environment

The global economy in 2022 experienced a period of subdued growth accompanied by soaring inflation rates. Following a robust recovery in 2021 from the deep recession induced by the COVID-19 pandemic in 2020, real output growth took a significant hit. The Russian-Ukrainian conflict further dampened growth prospects, with widespread sanctions imposed on Russia exacerbating macro-economic imbalances and challenges. The war not only incurred massive economic costs but also triggered a humanitarian crisis in Eastern Europe.

Household real incomes and spending were negatively impacted as inflation and interest rates surged. Consequently, global growth dwindled from an impressive 6.1 percent in 2021 to a modest 3.2 percent in 2022, according to the International Monetary Fund (IMF). Although global trade dipped, the ongoing recovery in international tourism partially offset the decline in merchandise trade volumes. With the Russian-Ukrainian conflict and the battle against inflation still influencing business activities and consumer spending, output is projected to hover around 3.8 percent in both 2023 and 2024.

Growth rates fluctuated across regions and countries. Advanced economies witnessed a decline in growth to 2.7 percent in 2022, down from 5.4 percent in 2021. The Euro Area, however, displayed a slightly better performance compared to the average. In Central and Western Europe, energy-intensive industries, various enterprises, and households were confronted with skyrocketing oil and gas prices. The United States underperformed the average, as the positive effects of a resilient labor market were partially counterbalanced by the repercussions of higher interest rates on private investment.

In the Asia-Pacific region, economic performances were notably weak. Japan's production, which had stagnated at 2 percent in previous years, slipped further to a mere 1.4 percent in 2022. China's activities were hindered by renewed lockdowns due to virus outbreaks and a downturn in the tech sector, causing its growth rate to plummet to an estimated 3.0 percent, down from 8.1 percent in 2021. These production constraints could potentially create new bottlenecks in global supply chains.

According to the International Monetary Fund (IMF).





Inflation had already been on an upward trajectory before the war, fueled by surging commodity prices and pandemic-induced supply-demand imbalances. In 2022, inflationary pressures intensified, primarily driven by skyrocketing energy and food prices. Consequently, price pressures expanded across a wide range of sectors. Global consumer inflation rose by 8.8 percent in 2022, up from 4.7 percent in 2021. This rate is projected to be 6.6 percent in 2023 and 4.4 percent in 2024. Similar to growth rates, inflation rates varied significantly across regions and countries. In advanced economies, consumer price inflation reached 5.7 percent, up from 3.1 percent in 2021. Meanwhile, emerging market and developing economies experienced rates of 8.7 percent and 5.6 percent, respectively. In China, inflation remained relatively low at around 2 percent. Other Asian countries also experienced modest inflation, as they were less impacted by the energy crisis.

The combination of stagnant growth and high inflation in advanced economies raised concerns about stagflation. With inflation persistently exceeding central banks' 2 percent target, these institutions rolled back their quantitative easing policies and increased interest rates in several stages, reaching 4.5 percent – the highest since 2007. Additional rate hikes are anticipated. However, policymakers are expected to proceed with greater caution going forward to avoid deterring business activities and provoking further appreciation of the US dollar against other currencies.

Across the globe, developing economies faced significant economic challenges due to the global shocks previously mentioned. These nations also grappled with numerous internal imbalances, including weak public finances, burdensome debt servicing obligations, a decline in productive private investments, acute balance of payment pressures, and depreciating currencies. Consequently, many countries encountered economic downturns, escalating poverty, and growing inequality. The average growth rate in emerging market and developing economies contracted to 3.9 percent, down from 6.7 percent.

In Latin America and the Caribbean, the regional average growth rate declined to a modest 2.5 percent in 2022, following a rebound to 6.8 percent in 2021. The first figure falls below the average for emerging and developing countries. Growth is projected to remain subdued in 2023, reflecting restrained activities in advanced economies and an uncertain, risk-laden global and internal environment. Simultaneously, the inflation rate surged from 9.8 percent to 14.1 percent. These statistics highlight the inability of the region's economies to meet their populations' aspirations for accelerated development and poverty reduction.



The global shocks mentioned earlier had a more pronounced disruptive impact on Suriname, an economy heavily reliant on imports due to its small and undiversified production structure. Furthermore, the shocks were exacerbated by long-standing, complex internal economic and social conditions. Despite these challenges, notable progress was made in implementing the Recovery Plan. Primarily aimed at short-term goals; this plan seeks to restore sustainable macroeconomic stability, bolster the financial system and institutions, and reduce public debt (currently equivalent to 126 percent of GDP). Additionally, it aims to provide a safety net for households most in need. Second, the plan aims giving an impetus to production activities, which serves as the focal point of the Multi-Year Development Plan.

The execution of the Recovery Plan for Suriname is supported by an extended credit facility and technical assistance from the IMF. However, progress in implementing the plan and meeting the requirements of the credit arrangement with the IMF has fallen short of initial expectations due to various constraints and bottlenecks. Factors such as limited project execution capacity, a weak institutional framework, narrow fiscal space, limited policy options, and insufficient private investment in productive sectors have impeded progress. Presently, negotiations are underway to reach a Staff-Level Agreement with the IMF, aiming to align the conditions under the Extended Fund Facility more closely with Suriname's challenging economic and social situation. The burden placed on the population is deemed too heavy.

In Suriname, low growth is paired with considerable inflationary pressures. Annual consumer inflation decreased marginally and remained excessive, i.e., from 59 percent in 2021 to 52 percent in 2022, despite the national currency maintaining stability at an SRD 21.60 level throughout 2022. Regrettably, the currency subsequently depreciated by a significant 47 percent to SRD 31.76 per US dollar at the end of December 2022, as demand for foreign currencies outpaced the available supply in the market.

Gold, accounting for more than 80 percent of Suriname's export, enjoyed historically high world market prices. Prices for oil and other commodities were also favorable. However, export volumes were largely unchanged. Activities in other sectors were subdued, as the decline in purchasing power discouraged spending. Consequently, the gross domestic product (GDP) grew by a mere 1.2 percent in 2022. A small increase to 2.3 percent is projected for 2023. According to World Bank estimates, GDP per capita measured in current US dollars continued to fall, reaching US\$ 4,679, only about half its historical peak in 2014. This decline reflects reduced business activities, and a number of depreciations of the Suriname dollar. Poverty among citizens increased, fueling social tensions.

These developments emphasize the urgent need to stimulate domestic production and exports.

Economic prospects may improve if successful efforts are made, particularly in the wise and sustainable exploitation of the nation's available resources.



# Environmental, Social and Governance

“Zero Harm” is one of Staatsolie’s core values, and it encapsulates our attitude to protecting our people, our planet, our company, and our communities. Staatsolie’s commitment to responsible Environmental, Social and Governance (ESG) policies is overseen by our ESG Committee, comprised of leaders from multiple directorates and subsidiaries. This Committee ensures that ESG concerns remain a top priority of the company’s leadership.

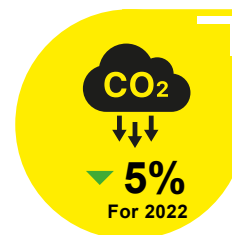
## Reducing Environmental Impact

As a key part of our Sustainability Policy, we are committed to minimizing impact on the environment. Any project we undertake is subject to a rigorous Environmental, Social Impact Assessment (ESIA), done per guidelines from the National Institute for the Environment in Suriname (NIMOS). A project will only be approved if it falls under acceptable levels of impact. For this purpose, our ESIA guidelines were updated in 2022.

One reason for us to perform extensive ESIA’s is our respect for Suriname’s unique biodiversity. Our Upstream operations are in the North Saramacca Multiple Use Management Area, and two of our oilfields border the Coppename Monding Nature Reserve. We do everything we can to preserve these areas when conducting or expanding our operations. Our Upstream Operations Environmental and Social Management Plans include extensive monitoring activities,

for instance with respect to aerial surveys to identify the locations of breeding bird colonies, conducted in collaboration with Suriname’s National Forestry Service (Dienst’s Lands Bosbeheer, LBB). Our commitment to preserving Suriname’s biodiversity is also expressed through our participation in the Suriname Conservation Foundation’s Green Partnership Program and Conservation International Suriname’s Friends of Green Suriname initiative.

Increasing energy efficiency and decreasing carbon emissions in our operations are primary objectives going forward. To establish a baseline, we began auditing our emissions of greenhouse gases in 2021. In 2022 we identified several initiatives that will help us steadily reduce CO<sub>2</sub> emissions with approximately 10 percent over a period of two years, of which 5 percent has been achieved.







Energy efficiency initiatives in 2022 included:

- Utilizing methane gas in the heater-treater system of our Upstream oil production operations resulted in less fuel oil consumption, while lowering methane gas venting, ultimately contributing to reduced CO<sub>2</sub> emissions.
- Utilizing sweet gas in the hydrogen production unit to lower emissions at the flare in our refinery process.
- A proposal to upgrade fixed-blade turbines with higher efficiency alternatives at our SPCS hydropower plant.

Another key component of our Sustainability Policy is support for the United Nations' Sustainable Development Goals (SDGs), with a particular emphasis on:

- SDG#7: Affordable & Clean Energy
- SDG#8: Decent Work & Economic Growth
- SDG#12: Responsible Consumption & Production
- SDG#13: Climate Action
- SDG#14: Life Below Water

Our efforts towards sustainability and related key performance metrics have been detailed in the company's first-ever [Sustainability Report for the first half year of 2022](#), which was published in April 2023. The extensive, full year 2022 Sustainability report will be published before the end of 2023. Staatsolie is also in a coalition of 10 leading Surinamese companies committed to accelerating the realization of the UN SDGs in our country.

As outlined in the Power and Sustainable Energy chapter of this report, we are seeking more sustainable sources of energy to help Suriname in the transition to cleaner energy solutions. Initiatives we are exploring include:

- Continuing to increase the amount of electricity generated by hydropower.
- A feasibility study for developing a solar energy facility at our Afobaka site.
- Championing natural gas development from Suriname's offshore resources, with applications including power generation so that we can transition away from thermal generation using heavy fuel oil.

Additional environmental endeavors include:

- Making advances in waste management, with new corporate guidelines and our participation in the Rotary "Greener Together" public-private partnership and as a member of the Suriname Conservation Foundation's Green Partnership Program.

- Preventing oil spills through measures including bund walls, performing job safety assessments, and conducting preventive equipment maintenance.
- Improving wastewater treatment by studying ways to reduce the hydrocarbon concentration of process wastewater.
- Improving air quality by actively monitoring ambient air quality parameters on our premises and in surrounding communities.
- Receiving ISO-14001 (environment) and ISO-45001 (safety) certificates for all our organizational directorates and subsidiaries SPCS and Gow2.



Sustainability Report  
First Half Year 2022

## Supporting Social Well-Being

Our commitment to elevating social well-being begins with our own employees, branches out to the people we work with and everyone in our neighboring communities, and extends to all the citizens of the country and, indeed, the planet we all share.

Internal social initiatives include the continued implementation of our Development HR process, designed to help our employees reach their full potential with progression models, gap analyses, certified assessments, and other tools. We also provide employees with training in HSE, emergency response, technical skills, and other areas.

Safety is always a priority. At the end of 2022, our Total Recordable Injury Frequency Rate (TRIFR) was 1.30, compared to 4.15 in 2021. We are pleased with the improvement, but aspire to eliminate injuries, in conjunction with our core value of “Zero Harm.” Safety enhancements include an employee suggestion system at our SPCS power plants, the “Working Safe Together” campaign at our refinery and increased hazard awareness at the Upstream.

We are devoted to our Health, Safety, Environment and Quality (HSEQ) policy and our HSE management system, which follows ISO-14001 & ISO-45001 principles and includes HSEQ manuals, HSE data reporting and analyses, incident management and investigation, a safety observations system, emergency response and other site-specific procedures. We are also preparing to implement the Life Saving Rules (LSR) of the International Oil and Gas Producers.

Turning to our support for the larger society of Suriname, Staatsolie and the Staatsolie Foundation for Community Development devoted more than US\$ 2 million to social investments in 2022.

Social projects Staatsolie contributed to include:

- Supporting the National Care Recovery Plan with SRD 29 million to help alleviate acute need in Suriname’s health sector.
- Preparing for future local participation in Suriname’s hydrocarbon development by launching an Oil and Gas Training Program at NATIN, a vocational technical institute, in collaboration with NATIN, the Ministry of Education, Science and Culture, the Surinamese business community and IOCs.
- Improving living conditions at 11 social institutions devoted to care for children, the elderly and people with disabilities.
- Bolstering public safety by donating five vehicles to the Suriname Police Force for use in Paramaribo and Brokopondo.
- Providing emergency relief for communities affected by flooding in Brokopondo. (See the Power & Sustainable Energy chapter for further details.)
- Promoting diversity, equality and inclusion opportunities by covering the salaries of 9 disabled employees at NATIN and Stichting Villa Zapakara.
- Supporting education by devoting income from the Suriname Energy & Oil Summit and Exhibition (SEOGS) 2022 to renovate three schools in districts outside the operating locations of Staatsolie.







### Implementing Effective Corporate Governance

Our Corporate Governance Code sets out the principles and responsibilities of the Board of Executive Directors (BoED) and the Supervisory Board to foster an environment of trust, transparency, and accountability. Staatsolie understands that effective corporate governance promotes long-term investment, financial stability, and business integrity.

Corporate Governance charters, updated in 2022 and set for approval by the Board of Executive Directors and Supervisory Board, include:

- Supervisory Board
- Audit Committee
- Risk & Compliance Committee
- Nomination & Remuneration Committee
- Executive Board
- Integrity Committee

Our Corporate Governance structure includes these subcommittees of the Supervisory Board:

- Audit Committee
- Risk & Compliance Committee
- Nomination & Remuneration Committee

The report from the Supervisory Board is included in this annual report.

In 2022, we worked on improving our internal control mechanisms, as part of a review of our Enterprise Risk Management (ERM) framework. See the following Risk Management section of this report for more detail.

Other activities to benefit Corporate Governance in 2022 included:

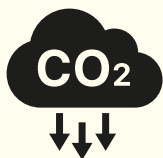
- Promoting the Code of Conduct, by publishing a brochure to raise awareness and via company-wide roadshows facilitated by the Integrity Committee, as well as organizing the annual online sign-off by employees on the Code of Conduct.
- Resolving complaints brought up through our Whistleblower Policy through the Integrity Committee.
- Embedding the Compliance function within Staatsolie.
- Conducting a BBetter2gether employee engagement survey.

Plans for 2023 include:

- Supervisory Board sessions on Strategy, ERM and Corporate Governance
- Relevant training courses/workshops for the BoED and the Supervisory Board and its subcommittees.
- Organizational review to assess if the current organizational structure is optimally designed to meet the company's strategic objectives.



KEY FIGURES



**65K TONS/YEAR**  
our goal for CO<sub>2</sub> emissions reduction



**US\$ 2+ Million**  
devoted to social investments in 2022



**83% of employees**  
are proud to work for Staatsolie  
(2022 BBetter2gether Survey)





# Government Contributions 2022

## Payment to Government

Staatsolie ensures that the interest of the Government in terms of various tax payments is served. Staatsolie, as a responsible company, recognizes that we have an obligation to meet our tax responsibilities in a correct manner in accordance with tax laws and regulations. Staatsolie's contribution to taxes consists of Corporate Income Tax, Payroll Tax and, to a lesser extent, Sales Tax, Rental Value Tax, and import levies such as Statistic and Consent Fee and import duties. In total approximately US\$ 162 million has been paid in taxes to the government. As part of an agreement with the government some of the taxes are settled with government receivables to Staatsolie. Others such as Payroll Tax and old age premium are paid in cash to the Tax Authority.

In 2022 Staatsolie contributed US\$ 320 million in taxes and other payments. These transfers to the government are largely driven by corporate income tax and dividend; however, Staatsolie and the subsidiaries also contribute to government and local authorities through many other forms of payment such as donations for community projects, health care, sports.

Staatsolie also paid a fair amount of royalties to the government via the Gold participations in Newmont and Rosebell Goldmines. In total approximately US\$ 13 million was transferred in 2022.

## Tax Law Changes for 2023

### VAT

As of 1 January 2023, the VAT law is in effect. With the introduction of VAT, the levying of sales tax has been discontinued. The consumptive expenditure of goods and services in Suriname will be taxed with VAT. The levy is via the entrepreneur as a supplier of the goods and services. Levy will also be applicable on imports. The VAT has been successfully implemented in December 2022, ready for the first VAT transaction in January 2023. The VAT process is fully automated and implemented.

### Expansion of the Tax Jurisdiction

As of 1 February 2023, the Suriname Tax Jurisdiction covers:

- Suriname mainland
- the territorial waters
- the entire Suriname Economic Exclusive Zone
- the Continental Shelf

This will have no impact on Staatsolie's current operations.









# Independent Auditor's Report

TO THE SHAREHOLDER OF STAATSOLIE  
MAATSCHAPPIJ SURINAME N.V.

## Report on the Audit of the Summary Consolidated Financial Statements

### Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31 2022, the summary consolidated statement of profit or loss, the summary consolidated statement of other comprehensive income, the summary consolidated statement of changes in equity, the summary consolidated statement of cash flows and related notes are derived from the complete audited consolidated financial statements of Staatsolie Maatschappij Suriname N.V. ("the Group") for the year ended 31 December 2022.

In our opinion the accompanying summary consolidated financial statements, are consistent, in all material respects with the audited consolidated financial statements, in accordance with accounting standards selected and disclosed by the Company in Note 2

### Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRS"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 28 April 2023. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment were most significant in our audit of the consolidated financial statements of the current period.





**Responsibilities of Management for the Summary Consolidated Financial Statements**

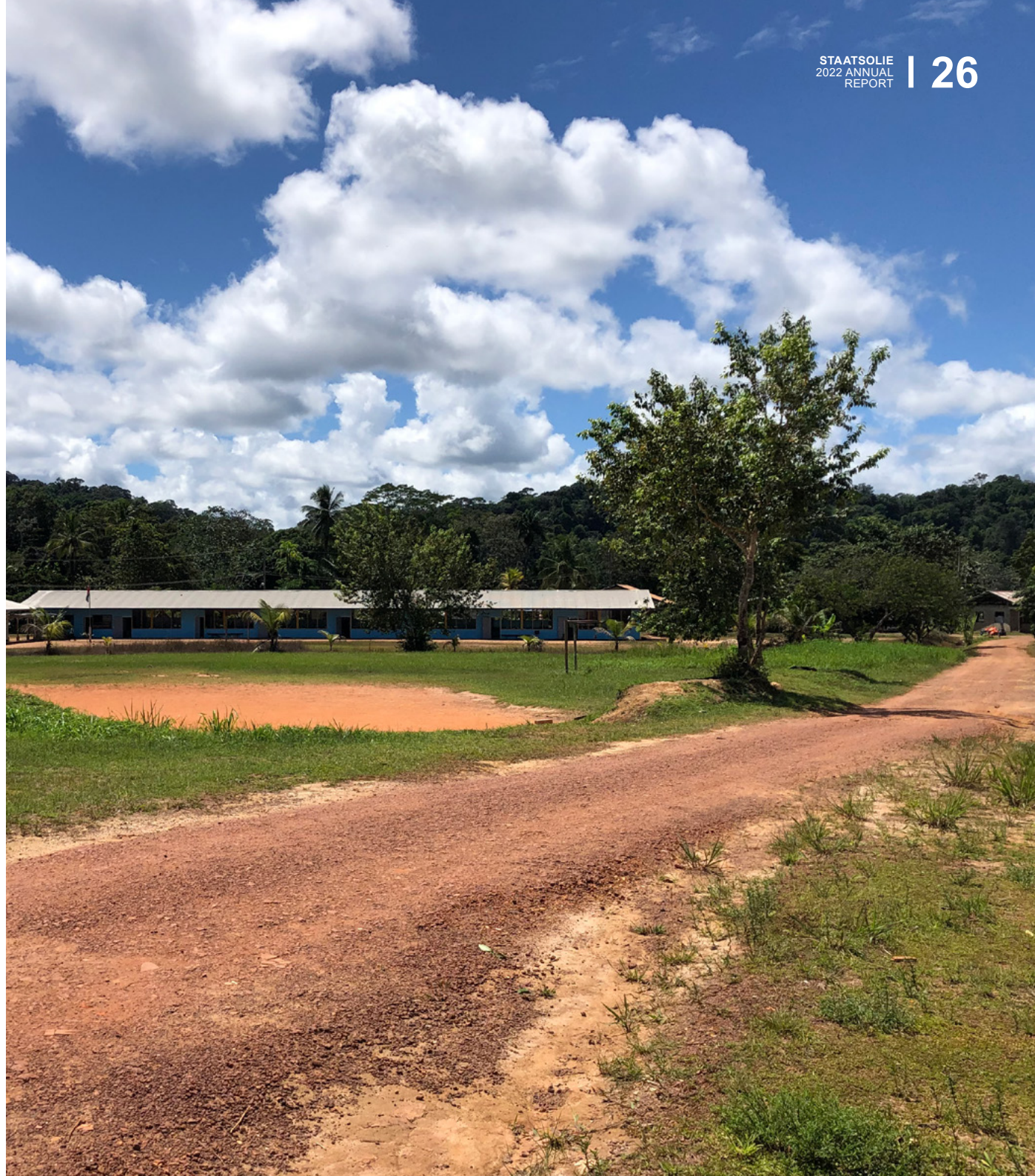
Management is responsible for the preparation of the summary consolidated financial statements in accordance with accounting standards selected and disclosed by the Company in Note 2.

**Auditor's Responsibilities for the Audit of the Summary Consolidated Financial Statements**

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised) 'Engagements to Report on Summary Financial Statements'.

Andrew Tom  
Partner for and on behalf of  
Ernst & Young Suriname

*Paramaribo, 28 April 2023*  
11930273 ATO/24321





**Staatsolie Maatschappij Suriname N.V.**  
**Summary Consolidated Statement of Profit or Loss**

for the year ended 31 December 2022

| x US\$ 1,000   | 2022           | 2021*          |
|--|----------------|----------------|
| <b>Continuing operations</b>                               |                |                |
| Revenue  | 839,985        | 557,855        |
| Cost of sales  | (307,727)      | (280,893)      |
| <b>Gross profit</b>  | <b>532,258</b> | <b>276,962</b> |
| Other income (net)   | 13,255         | 49,472         |
| Expensed projects  | (1,518)        | (57,652)       |
| Impairment (loss) /reversal of non-current assets          | (24,465)       | 15,874         |
| Offshore expenses  | (10,075)       | (8,164)        |
| Selling and distribution expenses                          | (13,031)       | (11,424)       |
| Other operating expenses                                   | (13,743)       | (11,623)       |
| General and administrative expenses                        | (37,069)       | (37,378)       |
| <b>Operating profit</b>                                    | <b>445,612</b> | <b>216,067</b> |
| Finance income   | 2,651          | 1,751          |
| Finance costs  | (62,034)       | (55,051)       |
| Share of profit of Suriname Gold Project CV                | 55,715         | 79,338         |
| Monetary loss (net)  | (11,660)       | (18,056)       |
| <b>Profit before income tax from continuing operations</b> | <b>430,284</b> | <b>224,049</b> |
| Income tax expense   | (140,646)      | (93,207)       |
| <b>Profit for the year from continuing operations</b>      | <b>289,638</b> | <b>130,842</b> |
| <b>Discontinued operations</b>                             |                |                |
| Loss after tax for the year from discontinued operations   | -              | (2,143)        |
| <b>Profit for the year</b>                                 | <b>289,638</b> | <b>128,699</b> |
| Attributable to: Equity holders of the parent              | 289,638        | 128,699        |
|  | 289,638        | 128,699        |
| <b>Earnings per share</b>                                  |                |                |
| Basic earnings per ordinary share (US\$ per share)         | 57.93          | 25.74          |
| <b>Earnings per share for continuing operations</b>        |                |                |
| Basic earnings per ordinary share (US\$ per share)         | 57.93          | 26.17          |

\* 2021 restated figures are described in section 2.7 and 2.8 of the consolidated financial statements.

**Staatsolie Maatschappij Suriname N.V.**  
**Summary Consolidated Statement of Other Comprehensive Income**  
 for the year ended 31 December 2022

| x US\$ 1,000  | 2022            | 2021*           |
|---|-----------------|-----------------|
| <b>Profit for the year</b>  | <b>289,638</b>  | <b>128,699</b>  |
| <b>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>     |                 |                 |
| Pensions and other postretirement benefits  | 88,422          | (36,931)        |
| Tax effect  | (28,717)        | 11,984          |
|   | 59,705          | (24,947)        |
| Unrealized losses short-term investments  | (414)           | (627)           |
| Tax effect  | 134             | 203             |
|   | (280)           | (424)           |
| <b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b> | <b>59,425</b>   | <b>(25,371)</b> |
|   | 59,425          | (25,371)        |
| <b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>         |                 |                 |
| Currency translation adjustment GOw2  | (12,221)        | (16,715)        |
|   | (12,221)        | (16,715)        |
| <b>Net other comprehensive loss to be reclassified to profit or loss in subsequent periods</b>              | <b>(12,221)</b> | <b>(16,715)</b> |
|   | (12,221)        | (16,715)        |
| <b>Other comprehensive income/(loss) for the year net of tax</b>  | <b>47,204</b>   | <b>(42,086)</b> |
|   | 47,204          | (42,086)        |
| <b>Total comprehensive income for the year net of tax</b>   | <b>336,842</b>  | <b>86,613</b>   |
|   | 336,842         | 86,613          |
| Attributable to:  |                 |                 |
| Equity holders of the parent  | 336,842         | 86,613          |
|   | 336,842         | 86,613          |

\* 2021 restated figures are described in section 2.7 of the consolidated financial statements.



**Staatsolie Maatschappij Suriname N.V.**  
**Summary Consolidated Statement of Financial Position**

as at 31 December 2022

| x US\$ 1,000                             | 2022             | 2021             |
|--|------------------|------------------|
| <b>Assets</b>                            |                  |                  |
| <b>Non-current assets</b>                |                  |                  |
| Oil exploration and producing properties | 672,716          | 679,309          |
| Refining properties                      | 791,795          | 842,492          |
| Other property, plant and equipment      | 135,340          | 157,049          |
| Investment properties                    | 18,836           | 18,836           |
| Goodwill                                 | 5,447            | 5,447            |
| Other intangible assets                  | 5,960            | 6,849            |
| Right -of-use assets                     | 2,332            | 2,911            |
| Lease receivable (non-current)           | 15,285           | 15,430           |
| Investments in Joint Ventures            | 226,545          | 241,949          |
| Restricted cash                          | 8,410            | 8,410            |
| Other long term assets                   | 577              | 877              |
| Deferred tax asset                       | -                | 15,740           |
| <b>Total non-current assets</b>          | <b>1,883,243</b> | <b>1,995,299</b> |
| <b>Current assets</b>                    |                  |                  |
| Inventories                              | 90,575           | 102,413          |
| Trade receivables                        | 123,086          | 110,508          |
| Prepayments and other current assets     | 13,947           | 14,037           |
| Lease receivable (current)               | 144              | 132              |
| Short-term investments                   | 912              | 1,326            |
| Restricted cash                          | 110,011          | 29,017           |
| Cash and short-term deposits             | 153,022          | 66,838           |
|  | 491,697          | 324,271          |
| Assets held for sale                     | -                | 2,323            |
| <b>Total current assets</b>              | <b>491,697</b>   | <b>326,594</b>   |
| <b>Total assets</b>                      | <b>2,374,940</b> | <b>2,321,893</b> |

| x US\$ 1,000  | 2022             | 2021             |
|---|------------------|------------------|
| <b>Equity and liabilities</b>                                 |                  |                  |
| <b>Equity</b>   |                  |                  |
| Common stock  | 12,104           | 12,104           |
| Retained earnings   | 1,443,669        | 1,277,480        |
| Other capital reserves  | 27,398           | 26,898           |
| Reserves of a disposal group held for sale                    | -                | 1,580            |
| <b>Total equity</b>   | <b>1,483,171</b> | <b>1,318,062</b> |
| <b>Non-current liabilities</b>                                |                  |                  |
| Bond  | 193,578          | 193,208          |
| Term loans  | 294,265          | 342,455          |
| Revolver loan   | 6,000            | 6,000            |
| Provisions  | 81,083           | 89,679           |
| Employee defined benefit liabilities                          | 31,994           | 115,027          |
| Lease liabilities (non-current)                               | 1,189            | 1,387            |
| Deferred tax liability  | 14,612           | -                |
| Other long term liabilities                                   | 9,156            | 38,958           |
| <b>Total non-current liabilities</b>                          | <b>631,877</b>   | <b>786,714</b>   |
| <b>Current liabilities</b>                                    |                  |                  |
| Trade payables  | 81,990           | 84,981           |
| Accruals and other liabilities                                | 71,959           | 31,850           |
| Lease liabilities (current)                                   | 1,277            | 1,687            |
| Income tax payable  | 55,829           | -                |
| Current portion of loans                                      | 48,837           | 97,856           |
|   | 259,892          | 216,374          |
| Liabilities directly associated with the assets held for sale | -                | 743              |
| <b>Total current liabilities</b>                              | <b>259,892</b>   | <b>217,117</b>   |
| <b>Total liabilities</b>                                      | <b>891,769</b>   | <b>1,003,831</b> |
| <b>Total equity and liabilities</b>                           | <b>2,374,940</b> | <b>2,321,893</b> |

**Staatsolie Maatschappij Suriname N.V.**
**Summary Consolidated Statement of Changes in Equity**

for the year ended 31 December 2022

| x US\$ 1,000   | Retained earnings |                   |   | Other capital reserves              |   |  | Total equity     |
|--|-------------------|-------------------|---|-------------------------------------|---|--|------------------|
|  | Common stock      | Retained earnings | Translation adjustment GOw2 & Hyper inflation | Non-Distributable Reserve Hydro dam | Appropriated reserve for environmental risk | Reserves of a disposal group held for sale |                  |
| <b>Balance at 1 January 2021</b>                               | <b>12,104</b>     | <b>1,272,863</b>  | <b>(38,646)</b>                               | <b>16,398</b>                       | <b>10,000</b>                               | -  | <b>1,272,719</b> |
| Profit for the year  | -                 | 117,355           | -   | -                                   | -   | -  | 117,355          |
| Other comprehensive (loss)                                     | -                 | (25,371)          | (5,371)                                       | -                                   | -   | -  | (30,742)         |
| <b>Total comprehensive income 2021</b>                         | -                 | <b>91,984</b>     | <b>(5,371)</b>                                | -                                   | -   | -  | <b>86,613</b>    |
| Dividend 2020 reserved as dividend payable per AVA 2021        | -                 | (35,593)          | -   | -                                   | -   | -  | (35,593)         |
| Dividend 2021 pre -payment (cash)                              | -                 | (22,500)          | -   | -                                   | -   | -  | (22,500)         |
| Reclassification of reserves of a disposal group held for sale | -                 | (1,580)           | -   | -                                   | -   | 1,580                                      | -                |
| Hyperinflation GOw2  | -                 | -                 | 16,823  | -                                   | -   | -  | 16,823           |
| Allocation/ (Withdrawal)                                       | -                 | (500)             | -   | -                                   | 500   | -  | -                |
| <b>Balance at 31 December 2021</b>                             | <b>12,104</b>     | <b>1,304,674</b>  | <b>(27,194)</b>                               | <b>16,398</b>                       | <b>10,500</b>                               | <b>1,580</b>                               | <b>1,318,062</b> |
| Correction of Hyper inflation impact*                          | -                 | 11,344            | (11,344)                                      | -                                   | -   | -  | -                |
| <b>Restated Balance at 31 December 2021</b>                    | <b>12,104</b>     | <b>1,316,018</b>  | <b>(38,538)</b>                               | <b>16,398</b>                       | <b>10,500</b>                               | <b>1,580</b>                               | <b>1,318,062</b> |
| <b>Balance at 1 January 2022</b>                               | <b>12,104</b>     | <b>1,316,018</b>  | <b>(38,538)</b>                               | <b>16,398</b>                       | <b>10,500</b>                               | <b>1,580</b>                               | <b>1,318,062</b> |
| Profit for the year  | -                 | 289,638           | -   | -                                   | -   | -  | 289,638          |
| Other comprehensive gain                                       | -                 | 59,425            | (12,221)                                      | -                                   | -   | -  | 47,204           |
| <b>Total comprehensive income 2022</b>                         | -                 | <b>349,063</b>    | <b>(12,221)</b>                               | -                                   | -   | -  | <b>336,842</b>   |
| Dividend 2021 reserved as dividend payable per AVA 2022        | -                 | (36,177)          | -   | -                                   | -   | -  | (36,177)         |
| Additional profit appropriation 2021 due to restatement        | -                 | (5,673)           | -   | -                                   | -   | -  | (5,673)          |
| Dividend 2022 pre -payment (cash)                              | -                 | (136,398)         | -   | -                                   | -   | -  | (136,398)        |
| Disposal group held for sale                                   | -                 | -                 | -   | -                                   | -   | (1,580)                                    | (1,580)          |
| Hyperinflation GOw2 (Net monetary result)                      | -                 | -                 | 9,382   | -                                   | -   | -  | 9,382            |
| Allocation/ (Withdrawal)                                       | -                 | (1,787)           | -   | -                                   | 500   | -  | (1,287)          |
| <b>Balance at 31 December 2022</b>                             | <b>12,104</b>     | <b>1,485,046</b>  | <b>(41,377)</b>                               | <b>16,398</b>                       | <b>11,000</b>                               | -  | <b>1,483,171</b> |

\* 2021 restated figures are described in section 2.7 of the consolidated financial statements.



**Staatsolie Maatschappij Suriname N.V.**  
**Summary Consolidated Statement of Cash flows**

for the year ended 31 December 2022

| x US\$ 1,000   | 2022           | 2021*          |
|--|----------------|----------------|
| <b>Operating activities</b>  |                |                |
| Profit before income tax from continued operations                                       | 430,284        | 224,049        |
| Loss from discontinued operations  | -              | (2,143)        |
| <b>Profit before tax</b>   | <b>430,284</b> | <b>221,906</b> |
| <b>Adjustments to reconcile profit before tax to net cash flows:</b>                     |                |                |
| Depreciation of Property, plant and equipment (PPE)                                      | 105,644        | 104,987        |
| Depreciation of right-of-use assets  | 1,596          | 2,252          |
| Fair value gain of investment properties   | -              | (1,954)        |
| Impairment of non-current assets   | 24,465         | (15,875)       |
| Expensed projects  | 582            | 65,566         |
| Amortization of intangible assets  | 1,508          | 1,643          |
| Amortization of debt arrangement fee   | 2,604          | 2,508          |
| Accretion expense  | 6,322          | 5,903          |
| Accretion of lease liability   | 369            | 540            |
| Hyperinflation and Currency translation adjustment                                       | 15,202         | 11,048         |
| Disposal of PPE  | 1,032          | 1,271          |
| Finance income   | (6,352)        | (1,631)        |
| "Finance costs (excluding accretion expenses and amortization of debt arrangement fees)" | 55,273         | 46,760         |
| Share of profit in Suriname Gold Project CV  | (55,715)       | (79,338)       |
| Movements employee defined benefit liabilities   | 5,389          | 6,383          |
| Movement in Provisions   | 1,228          | (25)           |
| Monetary effect  | 8,474          | -              |
| <b>Cash from operations before working capital changes</b>                               | <b>597,905</b> | <b>371,944</b> |

| x US\$ 1,000  | 2022             | 2021*            |
|---|------------------|------------------|
| <b>Working capital adjustments:</b>                       |                  |                  |
| Change in Inventories                                     | 8,806            | 7,910            |
| Change in Trade receivables                               | (116,407)        | (34,629)         |
| Change in Prepayments and other current assets            | (20,213)         | 4,453            |
| Change in Trade payables                                  | (3,070)          | 2,589            |
| Change in Accruals and other liabilities                  | (4,599)          | (32,669)         |
| <b>Cash generated from operations</b>                     | <b>462,422</b>   | <b>319,598</b>   |
| Interest received   | 42               | 22               |
| Interest paid   | (42,244)         | (53,373)         |
| Income taxes paid/settled                                 | (14)             | (19,930)         |
| <b>Net cash flows from operating activities</b>           | <b>420,206</b>   | <b>246,317</b>   |
| <b>Investing activities</b>                               |                  |                  |
| Expenditures on PPE (Purchase)                            | (83,072)         | (114,801)        |
| Expenditures on Other Intangible assets                   | 244              | 335              |
| Cash distributions received from Suriname Gold Project CV | 190,761          | 199,628          |
| Cash calls paid to Suriname Gold Project CV               | (119,642)        | (101,362)        |
| <b>Net cash flows used in investing activities</b>        | <b>(11,709)</b>  | <b>(16,200)</b>  |
| <b>Financing activities</b>                               |                  |                  |
| Repayment of Term loans                                   | (96,430)         | (87,920)         |
| Refinancing of Term loans                                 | (6,452)          | -                |
| Dividends settled/paid to equity holders of the parent    | (136,398)        | (82,030)         |
| Movements in Other long term liabilities                  | -                | (2,712)          |
| Payment of principal portion of lease liabilities         | (2,073)          | (2,968)          |
| Movement in restricted cash                               | (80,994)         | (2,876)          |
| <b>Net cash flows used in financing activities</b>        | <b>(322,347)</b> | <b>(178,506)</b> |
| <b>Change in cash and cash equivalents</b>                | <b>86,150</b>    | <b>51,611</b>    |
| <b>Cash and cash equivalents, beginning of year</b>       | <b>66,872</b>    | <b>15,261</b>    |
| <b>Cash and cash equivalents, end of year</b>             | <b>153,022</b>   | <b>66,872</b>    |

\* 2021 restated figures are described in section 2.7 of the consolidated financial statements.

# Notes to the Summary Consolidated Financial Statements

## Section 1.

### Corporate and Group Information



### 1.1 Corporate Information

The consolidated financial statements of the Group, which comprise Staatsolie Maatschappij Suriname N.V. (Staatsolie, as the parent) and all its subsidiaries, for the year ended 31 December 2022, were authorized for issue in accordance with a resolution of the Supervisory Board on 20 April 2023. Staatsolie is a limited liability company incorporated and domiciled in Suriname whose shares are solely owned by the Government of Suriname (GoS). The registered office is located at Dr. Ir. H. S. Adhinstraat 21, Paramaribo, Suriname. Staatsolie (the Company) is an integrated oil company in the Republic of Suriname of which the integrated activities include exploration, production, refining, marketing and distribution of petroleum and retail products. Through its subsidiary (SPCS), Staatsolie is engaged in thermal and hydro-electric power generation.

#### **Vision:**

Energizing a bright future for Suriname.

#### **Mission:**

Developing energy resources to maximize the long-term value for Staatsolie and Suriname.

#### **Strategy:**

Develop offshore and renewables, optimize onshore and downstream, and grow capabilities with an engaged workforce, inspired by our values.

#### **Values:**

1. Zero Harm: We strive to cause zero harm to the planet and our people, especially the communities and the environment around us.
2. Integrity: We are honest and do what we say we will do.
3. Excellence: We accept responsibility, deliver high quality work with a sense of urgency.
4. Teamwork: Trust and respect each other, collaborate and create a non-blaming environment.



## 1.2 Group Information

Staatsolie has four (4) subsidiaries of which three (3) are wholly owned: Paradise Oil Company N.V. (POC) and GOW2 Energy Suriname N.V. (GOW2) and Staatsolie Hydrocarbon Institute N.V.(SHI), a company mandated to perform the institutional role of Staatsolie.

Staatsolie holds 102,999 out of 103,000 shares of the Staatsolie Power Company Suriname N.V. (SPCS), incorporated in the Republic of Suriname, and the local electricity company Energie Bedrijven Suriname N.V. (N.V. EBS) holds one share.

In June 2015, POC's operations were put on hold and the company did not have any financial transactions during the reporting period of 2022.

In October 2022, the sale of its wholly owned subsidiary Ventrin Petroleum Company Limited (Ventrin), a bunkering company incorporated in the Republic of Trinidad and Tobago, was completed. The sale amount was received in full in the same month and the result of this sale is recorded in the statement of profit or loss under other income (Section 3.2).

Accordingly, Ventrin is no longer considered a subsidiary and therefore no longer carried in the consolidated financial statements of Staatsolie as of 31 December 2022.

With regard to Staatsolie's gold participation interest, since November 2014, Staatsolie has a participating interest of 25 percent in the Suriname Gold Project CV ('Surgold'), a limited partnership between Newmont Suriname LLC and Staatsolie.

In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated 7 April 1994, as amended. The UJV agreement and the accounting manual both signed on 22 April 2020. In this UJV, the participating interest is 30 percent for Staatsolie and 70 percent for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on 8 May 2002, was a subsidiary of IAMGOLD Corporation.

In October 2022, IAMGOLD Corporation announced the agreement to sell its interest in Rosebel Gold Mines to Zijin Mining for cash consideration of US\$ 360 million.

On 1 February 2023 IAMGOLD Corporation announced that it had closed the previously announced sale of the Company's 95 percent interest in Rosebel Gold Mines N.V. to Zijin Mining Group Co. Ltd for cash consideration of approximately US\$ 360 million and release of IAMGOLD's equipment lease liabilities amounting to approximately US\$ 41 million. The remaining 5 percent interest in Rosebel will continue to be held by the Government of Suriname.

## Section 2.

### Basis of Preparation and other Significant Accounting Policies

#### 2.1 Basis of Preparation

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of profit or loss, summary consolidated statement of other comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary consolidated financial statements are derived from the audited consolidated financial statements of Staatsolie Maatschappij Suriname N.V. ("Staatsolie" or "the Group") for the year ended 31 December 2022, which are prepared in accordance with International Financial Reporting Standards. These summary consolidated financial statements have been extracted from the audited consolidated financial statements which will be available on Staatsolie's website.

#### 2.2 Significant Accounting Policies

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2.3" of the 31 December 2022 audited consolidated financial statements consistently applied from period to period. The Group has adopted all new and revised accounting standards and interpretations that are mandatory for annual accounting periods on or after 1 January 2022 and which are relevant to the Group's operations.





## Section 3.

### Events after the Reporting Period

#### 3.1 Suriname Tax Measures as per 1 January 2023

On 30 August 2022, the Surinamese parliament passed legislation to remove the turnover tax and introduce the new VAT system. The VAT implementation is effective from 1 January 2023. On 29 December 2022, the Parliament of Suriname approved the following amendments to the Value Added Tax Act 2022 ('VAT Act'):

- New 5 percent VAT rate for Insurance for international medical expenses and Motor gasoline and other similar motor fuels and diesel oil.
- Updated 25 percent VAT rate for Automobiles and other motor vehicles designed primarily for passenger transportation with a cylinder capacity exceeding 2,500 cm<sup>3</sup> or with a CIF value of at least US\$ 40,000 and Motorcycles with a cylinder capacity of more than 125 cm<sup>3</sup>.
- Certain goods and services were previously exempt. The authorities have decided to add these goods and services to the 0 percent rate list instead to reduce the cost price increase for the public (basic necessities) or incentivize certain industries (gold, fishery, art).
- Certain exceptions should be considered such as VAT on salary in kind and business gifts.
- Expansion of 0 percent rate for financial services
- The import VAT scheme has been deferred and will be implemented per 1 January 2024.

As of 1 January 2023, the annual exemption of SRD 6,516 for both a vacation allowance and a bonus payment will be increased to SRD 10,016 each and the annual personal tax-free allowance was increased from SRD 48,000 to SRD 90,000.

The Personal Income Tax in Suriname was also amended to cover the changes as adopted in the Wage Tax legislation, which is a pre-levy to the Personal Income Tax. The changes to the Personal Income Tax are summarized as follows:

- Amongst the personal deductions is interest paid on a mortgage debt up to a maximum amount. This amount increased from SRD 125,000 to SRD 600,000.
- The Income Tax brackets have been adjusted.

#### Petroleum Act

Tax exemptions that were included in the State Decree of 2018 no 52 are now incorporated in the Petroleum Act. State-owned enterprises and contractors performing petroleum work are exempt and not subject to the following taxes for the term of the petroleum agreement they have signed:

- Turnover Tax on the purchase and delivery of goods and services.
- Dividend tax on dividends paid by a contractor or a contractor party to non-Surinamese shareholders, the transfer of profits to a foreign head office, or the remittance of dividend payments by non-Surinamese shareholders.
- Taxes on the sale of an interest arising from a Petroleum Agreement or the sale of the shares of a contractor or a contractor party by non-Surinamese.
- Shareholders, the proceeds from the sale of such interests or shares, and the remittance of such proceeds.



### 3.2 IAMGOLD Announces Closing of Previously Announced Sale of Rosebel Gold Mines to Zijin Mining

In October 2022, IAMGOLD Corporation announced the agreement to sell its interest in Rosebel Gold Mines to Zijin Mining for Cash consideration of US\$ 360 million. On 1 February 2023 IAMGOLD Corporation announced that it had closed the previously announced sale of the Company's 95 percent interest in Rosebel Gold Mines N.V. to Zijin Mining Group Co. Ltd for cash consideration of approximately US\$ 360 million and release of IAMGOLD's equipment lease liabilities amounting to approximately US\$ 41 million. The remaining 5 percent interest in Rosebel will continue to be held by the Government of Suriname.

### 3.3 Agreement with the Staatsolie Pension Fund

In November 2019, Staatsolie entered in a private agreement with the Staatsolie Pension fund (Stichting Pensioenfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.) for the sale of a plot of land known as "Bruynzeel terrein", including the option to buy back within 5 years from the date of sale at an agreed amount of US\$ 26.5 million. If Staatsolie would not exercise the right to repurchase, the legal transfer to the Pension fund would become effective. Staatsolie plans to exercise the option to buy back this plot of land in 2023. Hence the balance of US\$ 26.5 million as per 31 December 2022, was reclassified from non-current to current liabilities: accruals and other liabilities.



### 3.4 Electricity Pricing

For 2023 the following pricing measures are used:

- Market test of the premium on HFO being sold to EBS and SPCS; this test resulted in a premium reduction of US\$ 2.00 per barrel, effective 1 January 2023.
- SPCS fuel cost for power generation will be 100 percent pass-through, effective 1 January 2023. This measure is intended to neutralize the perception that SPCS has been charging more fuel in the power price than it actually consumes.
- Sales of spill hydro power (i.e., power in excess of 105 MW or 919,800 MWh per year) for 10 percent of the normal sales price. This measure does not affect the fixed revenue pricing objective SPCS for hydropower.

### 3.5 Syndicated Lenders Group

Credit Suisse (CS), one of the lead arrangers in the Corporate Financing of Staatsolie, has experienced severe turmoil and was bought out by Union Bank of Switzerland (UBS) in March 2023. In October 2022, it was announced that a large restructuring would take place and one of the actions was to also divest their investment management portfolio.

As per 5 May 2023 CS's portion of the Corporate loan has been fully sold down to existing lenders in the syndicate.



# General Information

## Sole Shareholder

The Republic of Suriname represented by  
The President, His Excellency C. Santokhi

## Supervisory Board

|                 |            |
|-----------------|------------|
| H. Alendy       | Chair      |
| J. Bousaid      | Vice Chair |
| M. Srihar Doobe | Secretary  |
| G. Asadang      | Member     |
| E. Caffé        | Member     |
| B. Dwarkasing   | Member     |
| L. Jack         | Member     |

## Board of Executive Directors

|                       |                       |
|-----------------------|-----------------------|
| A. Jagesar            | Managing Director/CEO |
| A. Moensi-Sokowikromo | Finance Director/CFO  |
| R. Bissumbhar         | Upstream Director     |

## Deputy Director

|            |   |
|------------|---|
| E. Fränkel | Deputy Director Power &<br>Sustainable Energy |
|------------|---|

## Asset Managers

|              |   |
|--------------|---|
| P. Brunings  | Exploration and Non-Operated Ventures Manager |
| F. Habieb    | Power Asset Manager                           |
| K. Raghosing | Group Controller                              |
| M. Refos     | Marketing Asset Manager                       |
| S. Sabiran   | Production Asset Manager                      |
| R. Vlaming   | Refinery Asset Manager                        |

## Contact Information

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