



Beyond Boundaries: Triumphs in Offshore Oil & Gas Exploration



Summary Annual Report
2023



Staatsolie Maatschappij Suriname N.V.





Contents

Message of the Managing Director	3
Report of the Supervisory Board	7
Overview Performance 2023	12
Macro-Economic Environment	13
Environmental, Social & Governance	15
Staatsolie's Contribution 2023	19
Independent Auditor's Report	20
Summary Consolidated Statement of Profit or Loss	22
Summary Consolidated Statement of Other Comprehensive Income	23
Summary Consolidated Statement of Financial Position	24
Summary Consolidated Statement of Changes in Equity	25
Summary Consolidated Statement of Cash flows	26
Notes to the Summary Consolidated Financial Statements	27
Section 1. Corporate and Group Information	
1.1 Corporate Information	27
1.2 Group Information	28
Section 2. Basis of Preparation and other Significant Accounting Policies	
2.1 Basis of Preparation	29
2.2 Significant Accounting Policies	29
Section 3. Events after the Reporting Period	30
General Information	31
List of Used Abbreviations	32



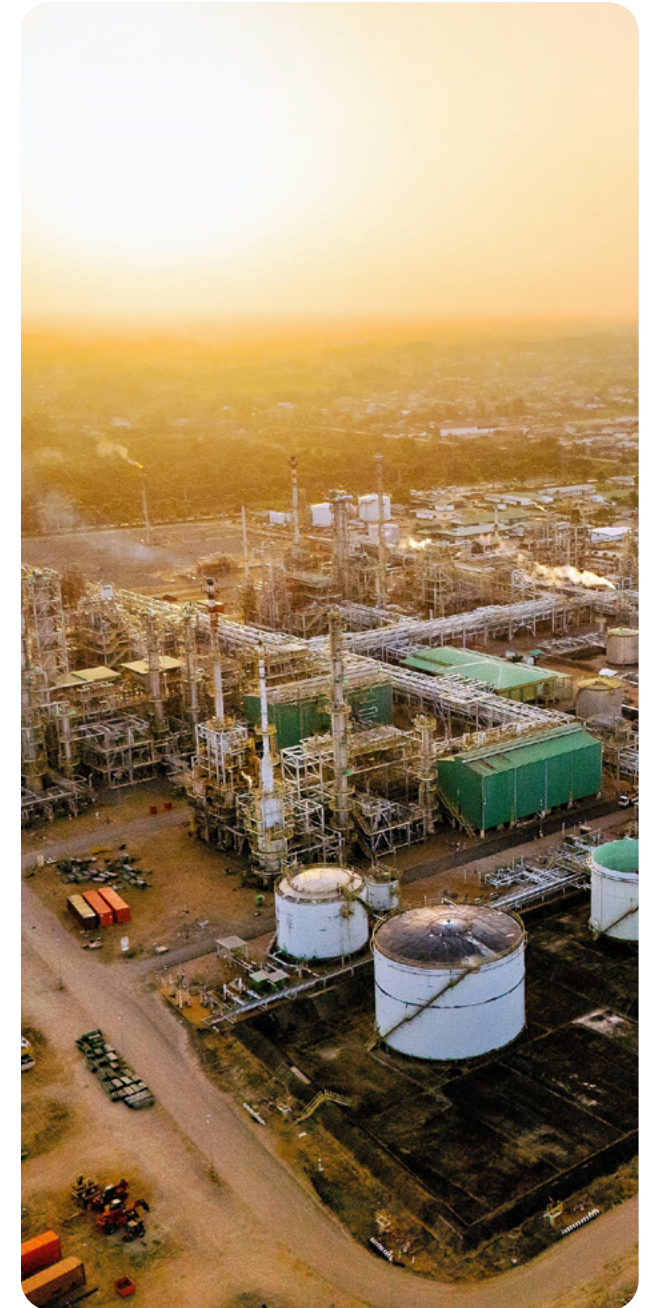
Message of the Managing Director

I am pleased to report that 2023 was another strong year for Staatsolie. At Staatsolie we define our success in terms of our ability to conduct our business in a realm of zero harm to our people and surroundings, whilst meeting our production and cost targets.

We had a solid operational year, meeting or exceeding production targets in several key areas. Milestones include:

- Completion of upstream oil extraction, processing and storage projects that will allow us to maintain our crude production levels for years to come. We exceeded our Crude production target in 2023.
- Realizing our Refinery production in line with the target and proper preparations for the Turnaround that has already been successfully executed as of 5 April 2024.
- Exceeding our Electricity generation targets.
- Advancing the potential of our Offshore assets, including another successful bidding round in the deepwater, capped by the visit to Suriname of TotalEnergies Chairman and CEO Patrick Pouyanné.

Recordable Injury Frequency Rate in 2023 was 2.51 compared to 1.30 in 2022. We clearly need to improve in this regard and special programs will be rolled out to improve our safety performance.





Financial Results

In 2023, Staatsolie reached consolidated gross revenues of US\$722 million, compared to US\$840 million in 2022. Pre-tax profit in 2023 was US\$426 million, compared to US\$430 million in 2022.

The contribution to the Government of Suriname increased to US\$335 million from US\$320 million in 2022. The contribution is made through taxes, dividends, and royalties from Staatsolie's participation in gold partnerships.

Financial results were impacted by the lower average oil price of US\$77 per barrel in 2023 (compared to US\$93 per barrel in 2022), to some extent offset by bonuses received for signed Production Sharing Contracts (PSCs) with various offshore partners, as well as higher production levels and the implementation of company-wide optimization programs.



Consolidated
gross revenues



Pre-tax profit



Contribution to the
Government of
Suriname



Average oil price
per barrel

2023

US\$
722 million

US\$
426 million

US\$
335 million

US\$
77 per barrel

2022

US\$
840 million

US\$
430 million

US\$
320 million

US\$
93 per barrel

Operations Overview

In 2023, we produced 6.27 million barrels of crude oil, exceeding our target by about 200,000 barrels.

In 2022, crude oil production was 6.14 million barrels.

Our refinery produced 3.16 million barrels of diesel and gasoline in 2023, meeting our target ahead of next year's planned maintenance Turn Around. In 2022, the refinery produced 3.29 million barrels of diesel and gasoline.

Our subsidiary SPCS generated approximately 1.60 million MWh of electricity, of which 75% came from our hydro-electric plant, approximately 78,000 MWh above our target. The thermal plant produced 425,700 MWh of electric power, which is about 110,100 MWh more than planned.

In retail operations, our subsidiary GOW2 increased its market share from 37% to 65%. This gain was largely due to further price deregulations by the Government, giving us a competitive advantage. Additionally, the expansion of our world-class retail network established GOW2's presence in additional geographical areas in the country.



2023 
6.27 million
barrels produced

2022
6.14 million
barrels produced



Offshore Potential

In 2023, there were major advancements in realizing the immense hydrocarbon potential of Suriname's offshore. Patrick Pouyanné visited Suriname in September, where he announced the preliminary front-end design of the first production field in Block 58. TotalEnergies, as operator, leads the development in the block, along with its 50% partner APA Corporation. Evaluation of the two main Block 58 discoveries, Sapakara South and Krabdagu, have confirmed recoverable resources of approximately 700 million barrels of oil, sufficient for a combined development.

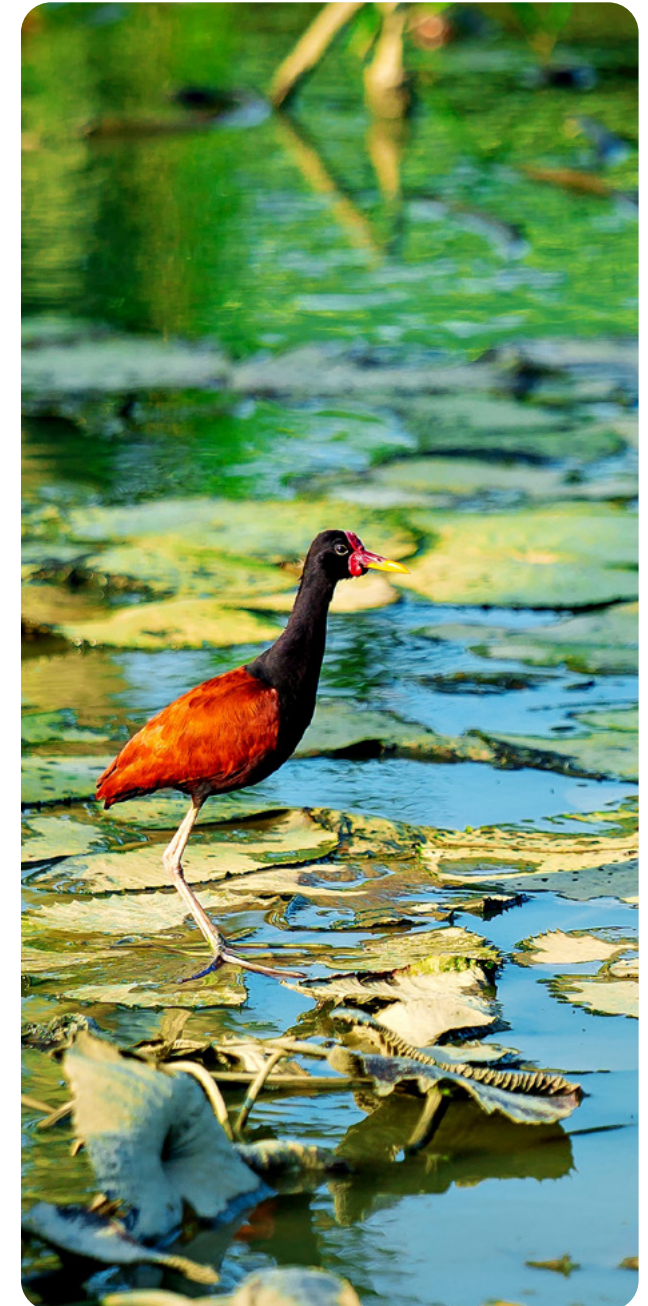
There was also promising news in Block 52, with the successful discovery by Petronas in the Roystonea-1 well. Petronas plans to further appraise this opportunity in 2024 and continue to discuss with Staatsolie the potential of the gas discovery in the Sloanea-1 exploration well in Block 52. The discussion has ultimately led to a "Letter of Agreement" to the Production Sharing Contract (PSC) for Block 52, which was signed in March 2024. Staatsolie is eagerly looking forward to the evaluation of the Sloanea-2 gas appraisal well, which will be drilled in the second quarter of 2024. This operation will include a flow test. The intention of Petronas to explore the possibility for a commercial gas development in Block 52, provides yet another validation of Suriname's good offshore potential.

To help local businesses participate in the country's future offshore success, Staatsolie launched the BlueWave Supplier Development Program, in collaboration with ExxonMobil and Chevron, in 2023. Twenty-five companies have successfully participated in this Local Content initiative, preparing them to deliver goods and services to the offshore sector, with more to join in 2024.

ESG Initiatives

Our ESG committee continues to spearhead the company's increased focus on Environmental, Social and Governance initiatives. Areas of focus include reducing our carbon emissions, supporting social programs in healthcare and education, and strengthening our Corporate Governance Code, in which the principles and responsibilities of the management and the supervisory Board are delineated.

The composition of the Supervisory Board changed as of 1 December 2023, with the resignation of the Chair Herman Alendy and the appointment of Gonda Asadang as Chair. With Mrs. Asadang's 10-year tenure in the board, we are on solid footings.





Looking forward

Our country is on the cusp of great opportunities associated with the development of offshore oil discoveries. This long-anticipated moment – the development of Suriname’s offshore hydrocarbon resources and the benefits this will bring to the entire nation – is now closer, with the Final Investment Decision for the development in Block 58 expected by the end of 2024.

We fully intend to exercise our option for up to 20% participation in this landmark project, which with the current investment will entail an investment of approximately US\$1.8 billion. We are considering all options to finance our participation, from our own cash reserves, bonds,

loans, partnerships with strategic and/or non-strategic partners to other forms of financing or a combination of options. The current interest from the markets provides an encouraging outlook on successful funding.

Few countries in the world with strong dependence on oil and gas production have been able to avoid the resource curse. One of the key aspects to mitigate the effects is to have a solid Sovereign Wealth and Stabilization Fund (SWSF). Staatsolie is fully committed to contributing to a solid SWSF and has played a key role in a government coordinated committee in this regard. In addition, we are and will increasingly be allocating a substantial portion of our CSR budget towards institutional strengthening and development, including the set-up of new institutions.

We are grateful for the support of all our stakeholders – the shareholder, the Supervisory Board, our employees, partners, customers and service providers, and the people of Suriname – all of whom helped us achieve another outstanding year in which we advanced closer to realizing our vision of “energizing a bright future for Suriname”.

Annand Jagesar
Managing Director/CEO

Confidence in our own abilities





Report of the Supervisory Board

The Supervisory Board (SB) is responsible for supervising the Board of Executive Directors (BoED) and the policies pursued. The Supervisory Board also acts as an advisor and sounding board for the management.

In this report, the Supervisory Board accounts for how it fulfilled its tasks and responsibilities in 2023.

Composition of the Supervisory Board

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.

Every Supervisory Board member must contribute independently and critically to the supervision of the Supervisory Board. Staatsolie' s code of conduct also applies to board members.

On 16 October 2023, Herman Alendy at his own request stepped down as Chair of the Supervisory Board. We would thank Mr. Alendy for his dedication and commitment to Staatsolie Maatschappij Suriname N.V..

In the extraordinary meeting of shareholders on 23 October Gonda Asadang was appointed as the new chair for the Supervisory Board as of 1 December 2023. Per the same date Stanley Betterson was appointed as a member.

As of 1 December, the Supervisory Board is composed as follows:

- Gonda Asadang, Chair
- Jim Bousaid, Vice Chair
- Maya Srihar Doobe, Secretary
- Stanley Betterson, Member
- Dennis Caffé, Member
- Bhoepsingh Dwarkasing, Member
- Leeroy Jack, Member



Gonda Asadang, Chair



Supervisory Activities

The Supervisory Board acts independently and supports others while performing its supervisory duties. Supervision focuses on achieving financial and operational objectives, compliance, and governance. In line with this, the Supervisory Board ensures that business risks are adequately identified and managed, that the culture and behavior are appropriate and that business operations are sober, efficient, and transparent.

During the fiscal year, in addition to regular activities, supervision focused on the assessment of the company's strategies, internal organization, the preparation for participation in offshore oil production, and corporate governance.

Staatsolie is undergoing significant developments and therefore has defined a new strategic plan in 2022, which was updated in February 2024. Therefore, it was necessary to evaluate the organizational structure. This process started in March 2023 with the support of international experts. The first phase of the evaluation was completed in December 2023. The Supervisory Board is consulting with the Board of Executive Directors to determine how the external international experts' recommendations can be implemented.

In connection with the renewed strategy, Staatsolie's governance model is also under review. This process will continue in 2024.

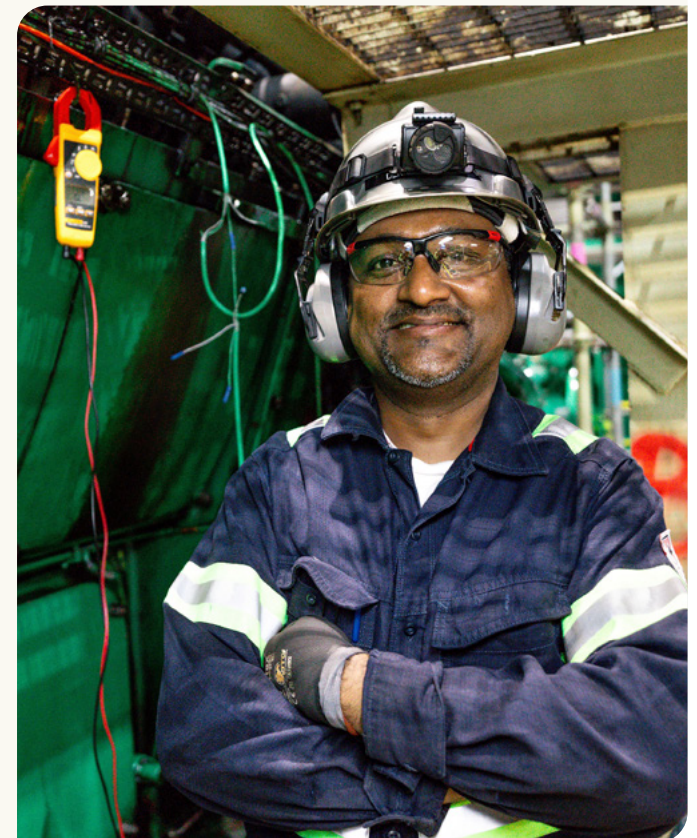
Driven by international developments in the field of corporate governance, the Supervisory Board deemed it necessary to evaluate the Supervisory Board charter and other regulations. The evaluation has been completed and implementation of the enhanced Supervisory Board charter will take place in 2024.

The Supervisory Board meets according to a predetermined meeting schedule and activities calendar, and as often as deemed necessary. The Supervisory Board also meets regularly with the Board of Executive Directors. There are also periodic consultations with the Shareholder. During the fiscal year, the Supervisory Board had forty regular meetings, nine of which were meetings with the Board of Executive Directors and two with the Shareholder.

The Supervisory Board also conducted three site visits to Staatsolie business locations.

Supervisory Board Committees

In line with its regulations, the Supervisory Board has three specialized committees with specific sub-tasks to support supervision: the Remuneration Committee (RC), the Audit Committee (AC) and the Risk and Compliance Committee. The staffing of the committees was adjusted in December 2023. A summary report of each committee's work during the fiscal year follows.





Audit Committee

In 2023, the Audit Committee (AC) consisted of Jim Bousaid (chair), Gonda Asadang, Bhoepsingh Dwarkasing, and Leeroy Jack.

In December 2023, Mrs. Asadang stepped down as a member of the AC, following her appointment as chair of the Supervisory Board. The duties and responsibilities of the committee are laid down in the audit committee charter and include among others advising the Supervisory Board on issues of financial reporting and IFRS, financial risk management and controls, and the audits of the internal and external auditors.

During the year, the AC had several meetings with the BoED, the internal audit division, and the external auditor regarding the audit of the 2022 financial statements and the Management Letter, the audit plan 2023 and the institutional capacity of the audit division, the periodic review of the audit charter, and several other financial-economic issues.

During the year, an important project aiming at improving the financial controls within Staatsolie started with the support of experts of the renowned international consultancy group PricewaterhouseCoopers (PwC). The AC had several meetings with the consultants and the BoED, and made recommendations to improve financial controls. The Supervisory Board strongly supports this project which will continue in 2024.

Risk & Compliance Committee

The Risk and Compliance Committee consisted of Mr. Jack, Mr. Dwarkasing, Mrs. Srihar-Doobe and Mr. Caffé (Chair). In December, Mr. Bousaid joined the committee.

The committee has two partners from Staatsolie's management, one who deals with Risk & Compliance and the other partner who deals with integrity within the company. During the fiscal year, the annual plans of these two partners were discussed and agreements were made about the work methods to be followed. An external consultant has assessed the risks that Staatsolie faces, and a plan was developed to monitor the risks based on a risk matrix and a balanced score card. The committee particularly insisted on adequate management of non-financial risks, cyber risk, and business continuity, and recommended that sufficient attention be paid to these. Together with the periodic reporting on incidents related to the integrity code, this committee has an extensive area of work.

Due to the vastness of the committee's field of work, the focus areas are managed within the business units; the Downstream, the Upstream Offshore, the Upstream Onshore and Corporate.

Nomination and Remuneration Committee

As of December 2023, the Nomination and Remuneration Committee consists of members Mrs. Srihar Doobe (chair), Mr. Caffé and Mr. Betterson.

This new composition was necessary after the appointment of the former committee chair, Mrs. Asadang, as Supervisory Board Chair.

The committee held several meetings during the year under review. In these, the committee continued discussions about, among others, the remuneration and the performance of the Board of Executive Directors.

Functioning of the Supervisory Board

In the meetings of the Supervisory Board and its committees, the members actively participated in discussions and decision-making. During the fiscal year, attendance averaged above 80%. To improve the role and execution of tasks of the Supervisory Board, periodic self-evaluation, and regulation at an individual - and team level is of significance.

The Supervisory Board discusses its own performance, including that of the individual members, at least once a year. This is done every two years under independent, external supervision.





Where needed, measures to improve the performance of the Supervisory Board and the development of individual members are discussed. In this year, the Supervisory Board evaluated its own performance and that of the individual members, whereby permanent education was also discussed in accordance with the provisions of the Supervisory Board regulations.

During the fiscal year, each Supervisory Board member has provided independent supervision. None of the board members reported transactions or decisions involving conflicts of interest. There is also no business relationship between members of the Supervisory Board and Staatsolie Maatschappij Suriname N.V. from which he or she could benefit personally. No financial benefits have been provided to members not covered by the remuneration policy.

Acknowledgment

We take this opportunity to thank the Board of Executive Directors and all employees of Staatsolie Maatschappij Suriname N.V. for their significant efforts and cooperation, which has led to satisfactory results being achieved.

The Supervisory Board also thanks all stakeholders of Staatsolie for their continued trust in the company.

Paramaribo, May 2024

Supervisory Board



Overview Performance 2023

2023

6.27 MMbbls

1,599 GWh

US\$
722 million

US\$
632 million

Fuel Oil & Crude:	2,489 Kbbbls
Premium Diesel:	1,944 Kbbbls
Premium Gasoline:	766 Kbbbls
Bitumen:	66 Kbbbls

Interest coverage:	9.29
Leverage ratio:	0.77
Debt Service Coverage:	5.25
EBITDA margin:	87%

Crude Production



Electricity Production



Gross Revenues



EBITDA



Total Sales



Key Ratio's



2022

6.14 MMbbls

1,475 GWh

US\$
840 million

US\$
648 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%

Macro – economic Environment

In 2023, the global economy showed a slow recovery from the COVID-19 pandemic and the war between Russia and Ukraine. Economic activity still falls short of its pre-pandemic path, especially in emerging markets and developing economies, and there are widening divergences among regions.



Several forces are at the foundation of the slow recovery:

- long-term consequences of the pandemic,
- the war in Ukraine,
- the China property sector crisis,
- the increasing geopolitical tensions,
- the effects of monetary policy tightening necessary to reduce inflation.

In addition to the abovementioned drivers for the hampering economic growth, the political tensions in the middle east (the Israel - Palestine conflict) escalated in October 2023. This escalation triggered a chain of uproar across the globe.

Supply chain disruptions continued in 2023. Issues such as shortages of semiconductors, shipping delays, and labor shortages have continued to impact industries worldwide, affecting production and distribution networks. Examples are the attacks on the cargo ships in the Strait of Hormuz leading to increasing transportation costs for goods.

Global growth is according to the International Monetary Fund projected at 3.1% in 2024 and 3.2% in 2025 influenced by greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024 –2025 is, however, below the historical (2000– 2019) average of 3.8%, with increased central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low productivity growth.

While headline inflation has been declining driven by the decline of food and energy prices, core inflation remains persistent, influenced by the services sector and still relatively tight labor markets. Inflation could continue to prove more persistent than anticipated, with further disruptions to energy and food markets still possible. A sharper slowdown in China would drag on growth around the world even further.

Global headline inflation is expected to fall from 7.0% in 2023 to 5.8% in 2024 and to 4.4% in 2025. The outlook for 2024 remains fragile and downside risks predominate. High uncertainty generated by the wars could take a heavy toll on activity. Trade tensions are high and could worsen.

In latest OECD Economic Outlook, Interim Report of 2023 the global growth in 2024 (2.7%) is expected to be lower than in 2023 (3.0%). A great deal of the growth is expected to come from the Asian region (China, India and Indonesia).

The reliance of the Suriname's economy on the oil industry makes it sensitive to fluctuations in commodity prices. In addition, the dependency on imports due to its small and undiversified production structure, makes the Suriname economy vulnerable to outside shocks. These shocks are reinforced in the Surinamese society by its long-standing, complex internal economic and social conditions.

The Government of Suriname implemented a Recovery Plan with IMF to restore sustainable macroeconomic stability, bolster the financial system and institutions, and reduce public debt (by the end of 2023 equivalent to 139% of GDP).

The execution of this Recovery Plan for Suriname is supported by an extended credit facility and technical assistance. Suriname's IMF/ Extended Fund Facility (EFF) arrangement started in 2021. Since then, Suriname has been steadily

implementing an ambitious economic reform agenda aimed at restoring fiscal and debt sustainability through fiscal consolidation and debt restructuring, protecting the vulnerable by expanding social programs, upgrading the monetary and exchange rate policy framework, addressing the financial sector's vulnerabilities, and advancing the anti-corruption and governance agenda.

Despite the challenging external and internal environment, Suriname has made significant progress in implementing its Recovery Plan with the IMF according to IMF's press release No. 24/93 on March 20, 2024. The IMF Executive Board recently completed the fifth review under the EFF arrangement for Suriname, allowing for an immediate purchase funding from which a part is allocated to budget support.

The authorities have shown commitment and leadership in pursuing fiscal discipline and macroeconomic stability, which has resulted in positive economic growth, declining inflation, and improved investor confidence. The authorities' near-term priority is to maintain fiscal discipline, while ensuring that the poor and vulnerable are protected, and persevere with the structural reforms to strengthen institutions and improve governance.

The high inflation rates have deepened poverty in society and social tensions in 2020 - 2022. Last year the Consumer Price Index has shown

improvement as a result of Suriname's macro-economic reforms, inflation has decreased according to Algemeen Bureau voor de Statistiek from 54.6% in 2022 to 32.6% in 2023 and is expected to further decrease in 2024.

GDP Annual Growth Rate in Suriname is expected to reach 2.5 - 3.0% by the end of 2024, according to Trading Economics global macro models and (IMF) analysts' expectations compared to the 2.1% realized in 2023. In the mid-term, the Suriname GDP Annual Growth Rate is projected to trend around 2.5% in 2025 and 3.0% in 2026, according to the econometric models.



Environmental, Social & Governance

“Zero Harm” is the core value of Staatsolie that expresses our commitment to protecting our people, our planet, our company and our communities. Our approach to Environmental, Social and Governance (ESG) is overseen by our ESG Committee, made up of leaders from multiple directorates and subsidiaries. The Committee is focused on keeping ESG concerns a top priority for Staatsolie leadership. The company’s first Sustainability Report 2022 (published in Q1 2024) provides details on Staatsolie’s approach to ESG.

Environmental

At Staatsolie, we are guided by an Environmental Management and Monitoring Plan (EMMP) that recognizes environmental and socio-economic impacts of our operations and identifies measures to be implemented to address these impacts. Each asset (Upstream, Downstream, Offshore, Power & Sustainable Energy) also has specific measures to address asset-specific environmental issues.

Environmental initiatives include:

- Conducting rigorous Environmental, Social Impact Assessments (ESIAs) on any project we undertake to understand and address any issues; 5 ESIAs were conducted in 2023
- Utilizing methane gas in the heater-treater system of our Upstream oil production operations, with plans to reduce vented natural gas at our TA-58 treatment plant to zero
- Utilizing sweet gas in the hydrogen production unit (HPU) to lower emissions at the flare in our refinery process
- Upgrading fixed-blade turbines with higher efficiency alternatives at the SPCS hydro plant
- Plans to install additional waste heat recovery systems at the SPCS thermal plant
- Use of LED lighting in Staatsolie offices
- Implementing a new corporate Waste Management Procedure to reduce waste and encourage recycling
- Achieving ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety) certification, along with already earned ISO 9001:2015 (Quality Management Systems)
- Employing improved produced water treatment technologies in Upstream operations
- Implementing a wastewater effluent improvement plan in Downstream operations
- Ongoing monitoring with respect to biodiversity conservation in collaboration with Suriname’s National Forestry Service in Upstream operations
- Preventing oil spills through measures including bund walls, performing job safety assessments, and conducting preventive equipment maintenance
- Improving air quality by actively monitoring ambient air quality parameters on our premises and in surrounding communities



Social

Staatsolie is deeply concerned with the safety and well-being of our employees and of all the people of Suriname.



Employee Development and Safety

Staatsolie believes in developing our people reach their full potential, and their safety is always paramount.

Employee development initiatives include:

- Implementing Staatsolie's Leadership Journey for all leadership levels
- Further execution of the Succession Planning process
- Continuation of Development HR process, including progression models, gap analyses and certified assessments
- Training in HSE, emergency response, technical skills and other areas

In 2023, the Total Recordable Injury rate went up to 2.51, from 1.30 in 2022.

Safety measures include:

- Working Safe Together campaign at the refinery
- Employee suggestion system at SPCS plants
- HSE management system, including HSEQ manuals, HSE data reporting and analyses, incident management and investigation, a safety observations system, emergency response and other site-specific procedures



Social Investments

Staatsolie and the Staatsolie Foundation for Community Development invested approximately US\$1.8 million in social projects in 2023.

Social investment highlights include:

- US\$250,000 devoted to renovating school buildings and upgrading infrastructure at primary schools in various districts.
- US\$125,000 devoted to healthcare through the purchase of necessary medical equipment
- US\$100,000 from subsidiary GOW2 and its retailers, in commemoration of GOW2's tenth anniversary, invested in sustainable projects for the benefit of young people, people with disabilities and senior citizens
- US\$75,000 devoted to fund various projects in the Brokopondo district, including a drinking water installation in Nieuw Lombe and the purchase of materials for maintenance of the district
- US\$420,000 contributed by Staatsolie IOC partners (Shell, APA Suriname, TotalEnergies, ExxonMobil and Chevron) for new practice rooms (labs) and associated equipment at the Institute for Natural Resources and Engineering Studies



Governance & Risk Management

At Staatsolie, we believe that it is important to build an environment of trust, transparency and accountability so that we can encourage long-term investment, financial stability and business integrity. Over the decades, our beliefs have become stronger and will continue to grow alongside our sustainability strategy.

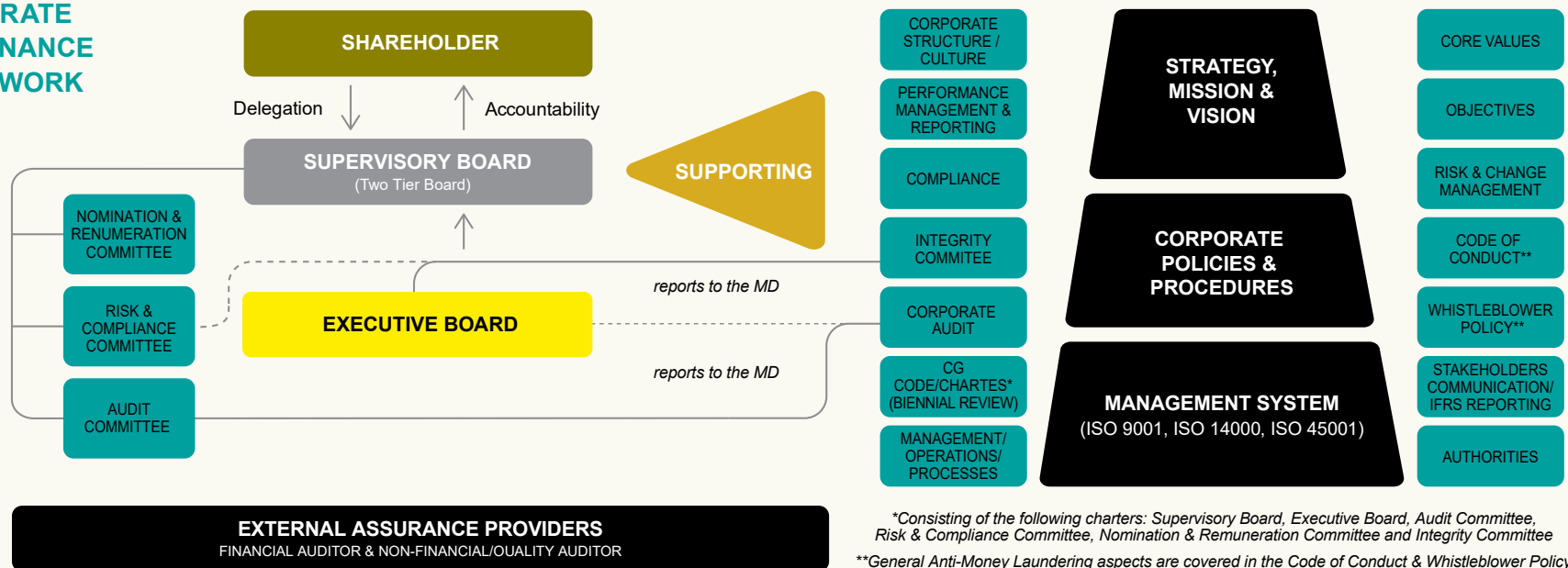
We have implemented a strong and effective governance structure throughout the company, along with high standards and clear controls. The Board of Executive Directors (BoED) is responsible for supervising the activities of the

company, including all operational matters, resource allocation, and direction-setting to execute the strategic plans as approved by the Supervisory Board (SB). Both the BoED and SB are responsible for creating long-term value and promoting openness and accountability. The SB has an oversight role regarding the company's general affairs. The BoED discusses the status of strategy implementation with the SB at regular intervals. This is based on the strategic plan developed by the Executive Board and approved by the Supervisory Board. Staatsolie's Corporate Governance Framework delineates the principles and responsibilities of the BoED as well as the SB.

Governance activities in 2023 included:

- BoED, overseen by the SB, conducted an organizational review to determine the optimum governance model for the Company's future
- ESG Committee initiated the ESG Framework and Net Zero Roadmap
- Review of the governance charters, with substantial improvements, to be implemented, that will contribute the company's future growth path

CORPORATE GOVERNANCE FRAMEWORK





Conflict of interest

Supervisory and Executive Board members have a duty to act with objectivity in all matters where a specific conflict of interest does not arise. The Supervisory Board and Executive Board may authorize any matter or situation proposed to them which would otherwise involve a member breaching his duty to avoid conflict of interest considering integrity aspects.

Enterprise Risk Management

Enterprise Risk Management (ERM) is a central concern at Staatsolie, for which a robust ERM framework has been established. Our ERM framework is integrated into the business activities, primarily with the aim of zero harm and value creation through informed decision-making. The latter brings with it a focus on current risks, but also emerging risks regarding the Company's profile.

Risks are generally managed in the first line. Annually, the BoED, along with key management, identify and evaluate enterprise risks and assess the needs for adjusting risks, actions and/or controls associated with our strategy. The G&C division manages and oversees enterprise risk assessments (both periodic and in response to one-off events), regular reviews of the organization's risk profile and adherence to its Risk Appetite Statement (RAS) and ongoing monitoring of mitigation plans, compliance of controls, internal policies and procedures, regulatory requirements,

industry standards and guidelines. The BoED maintains oversight of the ERM framework along with the SB.

Taking into account the ISO 31000 and COSO principles, internal controls based on the 3 Lines of Defense principle are being developed and implemented; the focus is on the identification, analyses, evaluation and proper management of risks.

The ERM database is being used by the 3rd line of defense (LoD) for its audit profiling. In addition, the 3rd LoD, Corporate Audit, tests and assesses the effectiveness of our Risk Management program and internal controls, and its broader Corporate Governance framework.



The following areas make up the focus of Staatsolie's enterprise risk management, as they could have an adverse effect on our company results.

Strategic

1. Price volatility
2. Controllable catastrophic loss
3. Financing & funding

Operational

4. Human Capital
5. IT
6. Business Continuity
7. Public perception/reputation

In general, Staatsolie manages its risks by maintaining a diversified portfolio, including the gold business, and working along rigorous frameworks and financial scenarios. The enterprise risks are assessed in relation to the risk appetite and risk tolerances.

Operational and project risks are managed at several levels, including our quality process, investment process, and project risk assessments for projects costing more than US\$250,000.



Staatsolie's contribution 2023

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, Value added tax, and import levies such as Statistic and Consent fee and import duties. In total approximately US\$181 million has been paid 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, fuel tax, value added tax and old age premium are paid in cash to the Tax Authority.

In 2023 Staatsolie contributed US\$335 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 etc.

	2023	2022
Contributions in US\$ (million)	335	320
Percentage of government revenues	36%	30%
Percentage of GDP	9%	10%

Royalties from Gold participations in Newmont and Rosebel Goldmines are being paid to the government. In total approximately US\$11 million was transferred in 2023 (US\$13 million in 2022)..



Independent Auditor's Report

to the Shareholders of Staatsolie Maatschappij Suriname N.V.

Report on the Audit of the Summarized Consolidated Financial Statements

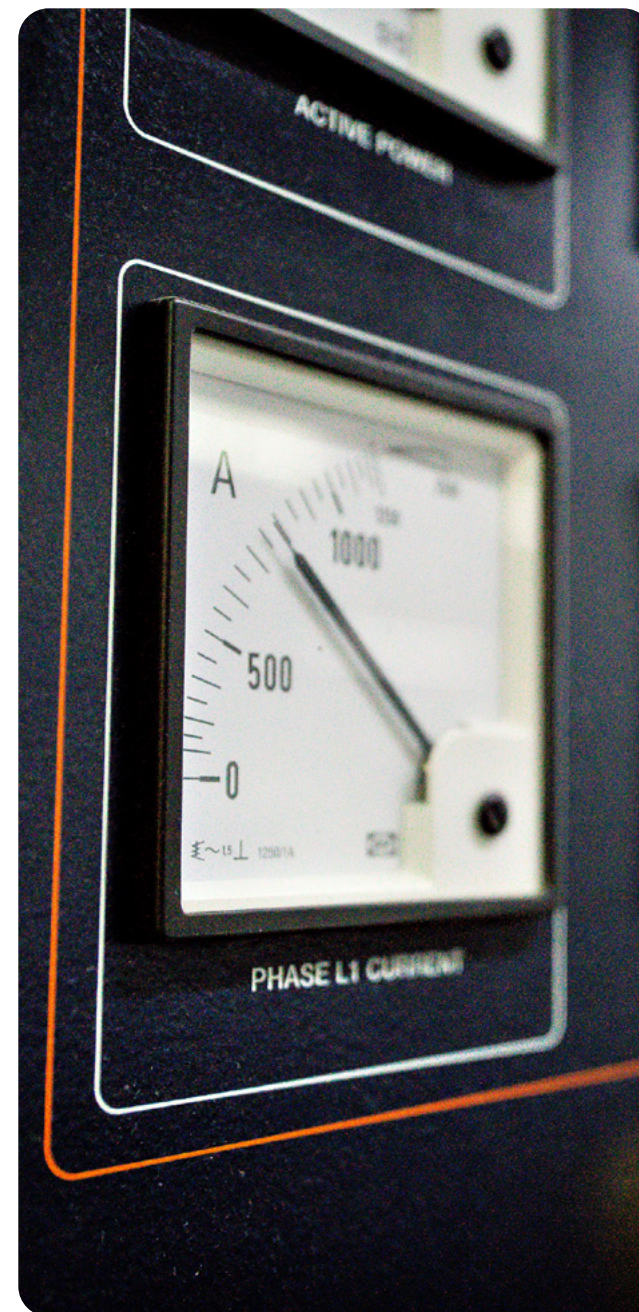
Opinion

The summarized consolidated financial statements, which comprise of the summarized consolidated statement of financial position as at 31 December 2023, the summarized consolidated statement of profit or loss, the summarized consolidated statement of other comprehensive income, the summarized consolidated statement of changes in equity, the summarized 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 2023.

In our opinion the accompanying summarized 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. In addition to the summary consolidated financial statements and our auditor's report thereon, the summary consolidated financial statements contains other information that consists of Supervisory Board and Management reports.

Our opinion on the summary consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the summary consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





Summarized Consolidated Financial Statements

The summarized consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards (“IFRS”). Reading the summarized 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 29 April 2024. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgement were most significant in our audit of the consolidated financial statements of the current period.

Responsibilities of Management for the Summarized Consolidated Financial Statements

Management is responsible for the preparation of the summarized 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 Summarized Consolidated Financial Statements Our responsibility is to express an opinion on whether the summarized 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 Summarized Financial Statements’. The engagement partners in charge of the audit resulting in this independent auditor’s report are Erick Stadius van Eps and Andrew Tom.

Paramaribo, 6 May 2024
11930273 ATO/24777

Ernst & Young Accountants





Staatsolie Maatschappij Suriname N.V.

Summary Consolidated Statement of Profit or Loss

for the year ended 31 December 2023

x US\$ 1,000	2023	2022
Revenue	721,960	839,985
Cost of sales	(287,650)	(307,727)
Gross profit	434,310	532,258
Other income (net)	110,284	13,255
Expensed projects	(68)	(1,518)
Impairment (loss)	(6,109)	(24,465)
Offshore expenses	(10,264)	(10,075)
Selling and distribution expenses	(15,380)	(13,031)
Other operating expenses	(7,069)	(13,743)
General and administrative expenses	(38,046)	(37,069)
Operating profit	467,658	445,612
Finance income	2,382	2,651
Finance costs	(65,975)	(62,034)
Share of profit of Suriname Gold Project CV	30,459	55,715
Monetary loss (net)	(8,947)	(11,660)
Profit before income tax	425,577	430,284
Income tax expense	(137,753)	(140,646)
Profit for the year	287,824	289,638
Attributable to:		
Equity holders of the parent	287,824	289,638
	<u>287,824</u>	<u>289,638</u>
Earnings per share		
Basic earnings per ordinary share (US\$ per share)	57.56	57.93



Staatsolie Maatschappij Suriname N.V.

Summary Consolidated Statement of Other Comprehensive Income

for the year ended 31 December 2023

x US\$ 1,000	2023	2022
Profit for the year	287,824	289,638
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		
Pensions and other postretirement benefits Tax effect	(964)	88,422
	319	(28,717)
	<u>(645)</u>	<u>59,705</u>
Unrealized gain/(loss) short-term investments Tax effect	258	(414)
	(83)	134
	<u>175</u>	<u>(280)</u>
Net other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods	<u>(470)</u>	<u>59,425</u>
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods		
Currency translation adjustment GOw2	(12,464)	(12,221)
	<u>(12,464)</u>	<u>(12,221)</u>
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	<u>(12,464)</u>	<u>(12,221)</u>
Other comprehensive (loss)/income for the year net of tax	<u>(12,934)</u>	<u>47,204</u>
Total comprehensive income for the year net of tax	<u>274,890</u>	<u>336,842</u>
Attributable to:		
Equity holders of the parent	274,890	336,842
	<u>274,890</u>	<u>336,842</u>



Staatsolie Maatschappij Suriname N.V.

Summary Consolidated Statement of Financial Position

as at 31 December 2023

x US\$ 1,000	2023	2022
Assets		
Non-current assets		
Oil exploration and producing properties	682,654	672,716
Refining properties	755,296	791,795
Other property, plant and equipment	143,242	135,340
Investment properties	18,836	18,836
Goodwill	5,447	5,447
Other intangible assets	5,965	5,960
Right -of-use assets	2,497	2,332
Lease receivable (non-current)	15,128	15,285
Investments in Joint Ventures	229,561	226,545
Restricted cash	12,677	8,410
Other long term assets	277	577
Total non-current assets	1,871,580	1,883,243
Current assets		
Inventories	81,802	90,575
Trade receivables	90,002	123,086
Prepayments and other current assets	24,255	13,947
Lease receivable (current)	158	144
Short-term investments	1,170	912
Restricted cash	213,435	110,011
Cash and short-term deposits	84,823	153,022
Total current assets	495,645	491,697
Total assets	2,367,225	2,374,940
Equity and liabilities		
Equity		
Common stock	12,104	12,104
Retained earnings	1,610,143	1,443,669
Other capital reserves	27,898	27,398
Total equity	1,650,145	1,483,171

Non-current liabilities

Bond	193,947	193,578
Term loans	203,376	294,265
Revolver loan	6,000	6,000
Provisions	28,431	81,083
Employee defined benefit liabilities	31,629	31,994
Lease liabilities (non-current)	1,407	1,189
Deferred tax liability	20,537	14,612
Other long term liabilities	13,540	9,156
Total non-current liabilities	498,867	631,877

Current liabilities

Trade payables	81,964	81,990
Accruals and other liabilities	64,135	71,959
Lease liabilities (current)	1,292	1,277
Income tax payable	23,099	55,829
Current portion of loans	47,723	48,837
Total current liabilities	218,213	259,892
Total liabilities	717,080	891,769
Total equity and liabilities	2,367,225	2,374,940

These consolidated financial statements have been authorized for issuance by the Supervisory Board members and the Board of Executive Directors on 17 April 2024.

Executive Board:

- Annand Jagesar, Managing Director/CEO
- Agnes Moensi-Sokowikromo, Finance Director/CFO
- Rekha Bissumbhar, Upstream Director

Supervisory Board:

- Gonda Asadang, Chair
- Jim Bousaid, Vice Chair
- Maya Srihar Doobe, Secretary
- Stanley Betterson, Member
- Dennis Caffé, Member
- Bhoepsingh Dwarkasing, Member
- Leeroy Jack, Member

Staatsolie Maatschappij Suriname N.V.

Summary Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

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	
Balance at 1 January 2022	12,104	1,316,018	(38,538)	16,398	10,500	1,580	1,318,062
Profit for the year	-	289,638	-	-	-	-	289,638
Other comprehensive gain	-	59,425	(12,221)	-	-	-	47,204
Total comprehensive income 2022	-	349,063	(12,221)	-	-	-	336,842
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)
Balance at 31 December 2022	12,104	1,485,046	(41,377)	16,398	11,000	-	1,483,171
Balance at 1 January 2023	12,104	1,485,046	(41,377)	16,398	11,000	-	1,483,171
Profit for the year	-	287,824	-	-	-	-	287,824
Other comprehensive loss	-	(470)	(12,464)	-	-	-	(12,934)
Total comprehensive income 2023	-	287,354	(12,464)	-	-	-	274,890
Final Dividend 2022	-	(14,093)	-	-	-	-	(14,093)
Interim Dividend 2023	-	(107,676)	-	-	-	-	(107,676)
Reclass dividend payable to Equity	-	5,673	-	-	-	-	5,673
Adjustment GOw2	-	191	-	-	-	-	191
Hyperinflation GOw2 (Net monetary result)	-	-	7,989	-	-	-	7,989
Allocation/ (Withdrawal)	-	(500)	-	-	500	-	-
Balance at 31 December, 2023	12,104	1,655,995	(45,852)	16,398	11,500	-	1,650,145



Staatsolie Maatschappij Suriname N.V.

Summary Consolidated Statement of Cash flows

for the year ended 31 December 2023

x US\$ 1,000	2023	2022
Operating activities		
Profit before income tax from continued operations	425,577	430,284
Profit before tax	425,577	430,284
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation of Property, plant and equipment (PPE)	111,005	105,644
Depreciation of right-of-use assets	1,341	1,596
Impairment of non-current assets	6,109	24,465
Expensed projects	217	582
Amortization of intangible assets	1,740	1,508
Amortization of debt arrangement fee	2,609	2,604
Accretion expense	5,499	6,322
Accretion of lease liability	349	369
Hyperinflation and Currency translation adjustment	(8,601)	15,202
Prior Year adjustment GOW2	191	-
Disposal of PPE	288	1,032
Finance & other income	(2,593)	(6,352)
Finance costs (excluding accretion expenses and amortization of debt arrangement fees)"	49,735	55,273
Share of profit in Suriname Gold Project CV	(30,459)	(55,715)
Movements employee defined benefit liabilities	(1,386)	5,389
Movement in Provisions	4,134	1,228
Monetary effect	7,234	8,474
Cash from operations before working capital changes	572,989	597,905

x US\$ 1,000	2023	2022
Working capital adjustments:		
Change in Inventories	(4,376)	8,806
Change in Trade receivables	(110,497)	(116,407)
Change in Prepayments and other current assets	24,964	(20,213)
Change in Trade payables	(95)	(3,070)
Change in Accruals and other liabilities	(7,905)	(4,599)
Cash generated from operations	475,080	462,422
Interest received	431	42
Interest paid	(49,722)	(42,244)
Income taxes paid/settled	(18,231)	(14)
Net cash flows from operating activities	407,558	420,206
Investing activities		
Expenditures on PPE (Purchase)	(128,833)	(83,072)
Expenditures on Other Intangible assets	(1,548)	244
Cash distributions received from Suriname Gold Project CV	137,730	190,761
Cash calls paid to Suriname Gold Project CV	(149,960)	(119,642)
Net cash flows used in investing activities	(142,611)	(11,709)
Financing activities		
Repayment of Term loans	(101,730)	(96,430)
Refinancing of Term loans	-	(6,452)
Dividends settled/paid to equity holders of the parent	(121,769)	(136,398)
Payment of principal portion of lease liabilities	(1,955)	(2,073)
Movement in restricted cash	(107,692)	(80,994)
Net cash flows used in financing activities	(333,146)	(322,347)
Change in cash and cash equivalents	(68,199)	86,150
Cash and cash equivalents, beginning of year	153,022	66,872
Cash and cash equivalents, end of year	84,823	153,022



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 2023, were authorized for issue in accordance with a resolution of the Supervisory Board on 17 April 2024.

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 for 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), 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 incumbent utility company Energie Bedrijven Suriname N.V. (N.V. EBS) holds one share.

In June 2015, POC's operations were put on hold and reactivated in 2021. POC did not have any financial transactions during the reporting period of 2023.

With regard to Staatsolie's gold participation interest, since November 2014, Staatsolie has a participating interest of 25% 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.

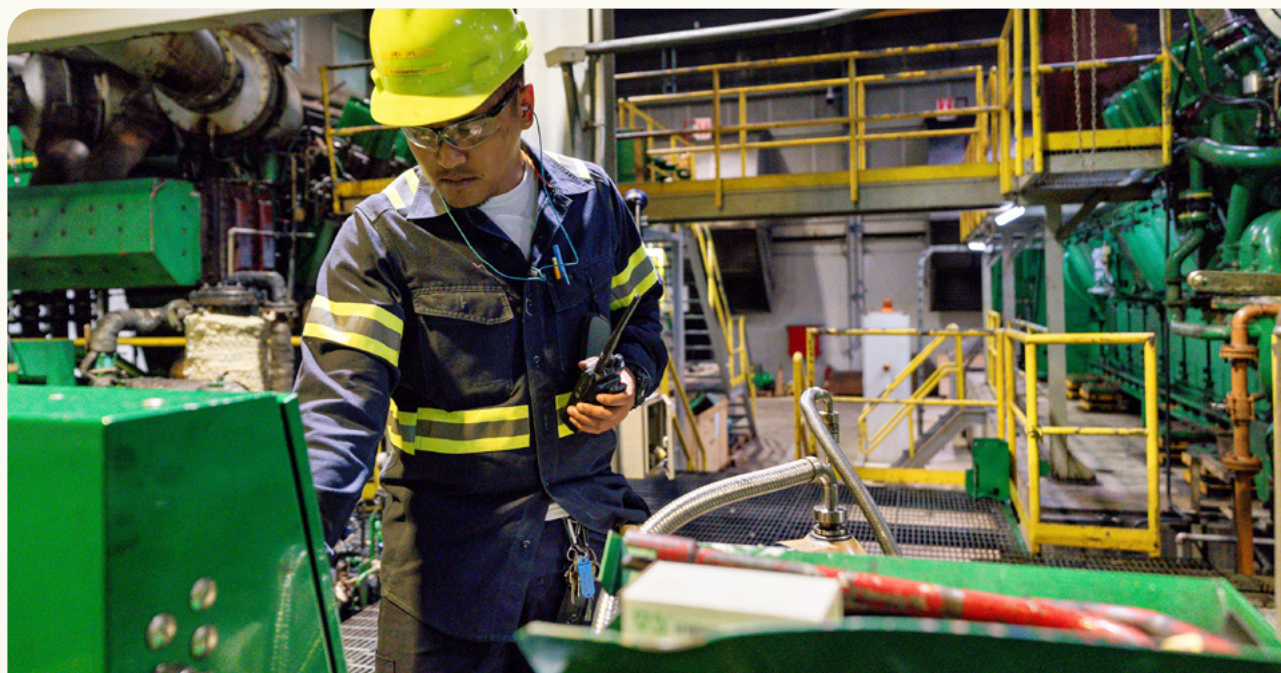
The UJV is governed by the Mineral Agreement dated 7 April 1994, as amended. The UJV agreement and the accounting manual both signed on 22 April 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

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% 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% 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

Staatsolie' s consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The significant accounting policies used in the preparation of the consolidated financial statements are set out below. The historical cost convention applies however, certain assets and liabilities, including investment properties and financial instruments, are measured at fair value. Unless stated otherwise, these accounting policies have been applied consistently to the years covered in these financial statements.

The preparation of financial statements requires the use of estimates and assumptions based on experience and considered appropriate by management given the specific circumstances. These estimates and assumptions impacts the carrying amounts and presentation of the reported assets and liabilities, the off-balance-sheet rights and obligations and the reported income and expenditure during the year. The actual outcomes may differ from the estimates and assumptions used. Section 3 – 7 to the financial statements gives further information on the areas and items in the financial statements where estimates and assumptions are used. Unless stated otherwise, all amounts reported in these financial statements are in thousands of US dollars.

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 2023 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 2023 and which are relevant to the Group's operations.



Section 3. Events after the reporting period



Buy back of land Stichting Pensioenfonds

Staatsolie exercised its option to buy back a plot of land from “Stichting Pensioenfonds voor werknemers van Staatsolie Maatschappij Suriname N.V. This transaction took place in February 2024. This amount was US\$26.5 million



General Information

As at 31 December 2023

Shareholder

The Republic of Suriname represented by the President, His Excellency Chandrikapersad Santokhi

Supervisory Board

Gonda Asadang	Chair
Jim Bousaid	Vice Chair
Maya Srihar Doobe	Secretary
Stanley Betterson	Member
Dennis Caffé	Member
Bhoepsingh Wim Dwarkasing	Member
Leeroy Jack	Member

Board of Executive Directors

Annand Jagesar	Managing Director/CEO
Agnes Moensi-Sokowikromo	Finance Director/CFO
Rekha Bissumbhar	Upstream Director

Deputy Directors

Eddy Fränkel	Deputy Director Power & Sustainable Energy
Frits Wolters	Deputy Director Offshore

Asset Managers

Patrick Brunings	Asset Manager Exploration and Non-Operated Ventures
Firoz Habieb	Power Asset Manager
Kenneth Raghosing	Group Controller
Sharon Sabiran	Production Asset Manager
Rudolf Vlaming	Refinery Asset Manager
Marc Refos	Marketing Asset Manager

Subsidiaries

GOw2 Energy Suriname N.V.

Marc Refos	Marketing Asset Manager
------------	-------------------------

Staatsolie Power Company Suriname N.V.

Eddy Fränkel	Deputy Director Power & Sustainable Energy
--------------	--

Staatsolie Hydrocarbon Institute N.V.

Vandana Gangaram Panday	Director
-------------------------	----------



List of Used Abbreviations

bbl.:	barrel (ca. 159 liter)
bopd:	barrels of oil per day
EBITDA:	Earnings before interest, taxes, depreciation, and amortization
ERM:	Enterprise Risk Management
GoS:	Government of Suriname
HSE:	Health, Safety and Environment
HSEQ:	Health, Safety, Environment and Quality
IFRS:	International Financial Reporting Standards
IOC:	International oil company
Kbbbls:	thousands of barrels
MMbbbls:	millions of barrels
MWh:	megawatt-hours
PSC:	Production Sharing Contract
RAS:	Risk Appetite Statement

