



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 735 194
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	LOTOS EXPLORATION AND PRODUCTION NORGE AS
Forretningsadresse:	Moseidsletta 122 4033 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Piotr Statkiewich
Dato for fastsettelse av årsregnskapet:	31.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 23.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekter	2	5 609 865 299	2 912 133 932
Other operating income		2 362 836	151 117 125
Sum inntekter		5 612 228 135	3 063 251 057
Kostnader			
Cost of sales	3	1 453 318 922	783 379 439
Other operating expenses	5	694 194 570	87 000 000
General and administrative expenses	4,6,7	164 660 778	218 260 842
Sum kostnader		2 312 174 270	1 088 640 281
Driftsresultat		3 300 053 865	1 974 610 776
Finansinntekter og finanskostnader			
Finance income	8	109 258 517	364 102
Sum finansinntekter		109 258 517	364 102
Finance cost	8	157 787 247	154 455 753
Sum finanskostnader		157 787 247	154 455 753
Netto finans		-48 528 730	-154 091 651
Ordinært resultat før skattekostnad		3 251 525 135	1 820 519 125
Corporate income tax	9	2 462 394 337	1 262 994 473
Ordinært resultat etter skattekostnad		789 130 798	557 524 652
Årsresultat		789 130 798	557 524 652



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	10	381 001 261	820 063 669
Sum immaterielle eiendeler		381 001 261	820 063 669
Varige driftsmidler			
Property, plant and equipment	11,12	3 956 335 633	3 305 256 425
Sum varige driftsmidler		3 956 335 633	3 305 256 425
Finansielle anleggsmidler			
Non-current financial assets	13	1 349 798 396	152 879 050
Non-current prepayment and accrued income	14	1 766 098	128 000
Sum finansielle anleggsmidler		1 351 564 494	153 007 050
Sum anleggsmidler		5 688 901 388	4 278 327 144
Omløpsmidler			
Varer			
Inventories	15	225 836 105	190 511 299
Sum varer		225 836 105	190 511 299
Fordringer			
Trade receivables	16	552 002 181	14 575
Current prepayments and accrued income	17	28 671 320	486 298 595
Other receivables	17	1 148 013	1 080 390
Sum fordringer		581 821 514	487 393 560
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	18	3 166 628 629	1 948 107 639
Sum bankinnskudd, kontanter og lignende		3 166 628 629	1 948 107 639
Sum omløpsmidler		3 974 286 248	2 626 012 498
SUM EIENDELER		9 663 187 636	6 904 339 642



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	19	4 431 890 000	4 431 890 000
Sum innskutt egenkapital		4 431 890 000	4 431 890 000
Opptjent egenkapital			
Retained earning		-1 464 554 365	-2 253 685 166
Sum opptjent egenkapital		-1 464 554 365	-2 253 685 166
Sum egenkapital		2 967 335 635	2 178 204 834
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	680 453 510	402 306 467
Asset retirement obligations	20	2 446 389 421	2 240 155 065
Sum avsetninger for forpliktelser		3 126 842 931	2 642 461 532
Annen langsiktig gjeld			
Long term lease liability	21	612 674 429	580 861 945
Sum annen langsiktig gjeld		612 674 429	580 861 945
Sum langsiktig gjeld		3 739 517 360	3 223 323 477
Kortsiktig gjeld			
Leverandørgjeld		16 506 606	14 511 222
Tax payable	9	2 302 485 391	1 047 069 095
Public duties payable	22	9 374 719	6 589 057
Short term liability	21	69 840 474	88 189 456
Other current liabilities	22	399 428 189	291 558 620
Asset retirement obligation	20	118 024 422	13 569 690
Accruals and deferred income	22	40 674 838	28 984 539
Short term provision	23	0	12 339 650
Sum kortsiktig gjeld		2 956 334 639	1 502 811 329
Sum gjeld		6 695 851 999	4 726 134 806



Balanse

Beløp i: NOK	Note	2022	2021
SUM EGENKAPITAL OG GJELD		9 663 187 634	6 904 339 640



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 03.07.2015	Vår dato 11.08.2015
Telefon 977 59 464	Deres referanse Brit Elise Huth	Vår referanse 2015/657079

LOTOS EXPLORATION AND PRODUCTION NORGE AS

Postboks 132
4065 STAVANGER

LOTOS Exploration & Production AS Norge	
Date: 13.08.2015	Sign:
Doc.nr: OT01-F-GA-15-0056	
CC: Brit Elise Huth	
File: <input checked="" type="checkbox"/>	Scanned: <input checked="" type="checkbox"/>

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for LOTOS Exploration & Production Norge AS, org.nr. 991 735 194

- Vi viser til deres brev av 3. juli 2015 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for LOTOS Exploration & Production Norge AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering LOTOS Exploration & Production Norge AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

LOTOS Exploration & Production Norge AS er eid 99,999% av Lotos Petrobaltic SA som har adresse i Gdansk i Polen. Lotos Petrobaltic SA er dels privat og dels statlig. Privat andel er 46,8% mens statlig andel er 53,2%. Selskapet har totalt 6 styremedlemmer med styreformann hvor kun 2 er norske. All omsetning som i all hovedsak er olje og gass skjer til andre internasjonale oljeselskap i Norge.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en

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0134 Oslo

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Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er et datterselskap av et utenlandsk selskap og at eierkretsen derfor er begrenset. Videre er det vektlagt at selskapet opererer innen en bransje der engelsk er det dominerende språket.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Deloitte.

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www.deloitte.no

To the General Meeting of LOTOS Exploration and Production Norge AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of LOTOS Exploration and Production Norge AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section

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Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 990 211 282

Pennneo Dokumentnøkkel: TCTZO-DSAEH-E2SEP-N3S4Q-I7B81-PCGXP



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Independent Auditor's Report -
LOTOS Exploration and Production Norge AS

3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 16 March 2023
Deloitte AS

Bjarte M. Jonassen
State Authorised Public Accountant

Perimeo Dokumentnøkkel: TCTZO-DSA4EH-E2SEP-N354Q-17B81-PCGXP



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"By my signature I confirm all dates and content in this document."

Bjarte Munkejord Jonassen

State Authorized Public Accountant

On behalf of: Deloitte AS

Serial number: 9578-5995-4-1247394

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LOTOS Exploration and Production Norge AS

Annual report 2022

Board of directors' report

Annual accounts

- Statement of comprehensive income**
- Statement of financial position**
- Statement of cash flow**
- Statement of changes in equity**
- Notes to the financial statement**

Auditors' report



LOTOS Exploration and Production Norge AS

Statement of comprehensive income

NOK	Note	2022	2021
Sales revenue	2	<u>5 609 865 299</u>	<u>2 912 133 932</u>
Total revenue		<u>5 609 865 299</u>	<u>2 912 133 932</u>
Cost of sales	3	<u>-1 453 318 922</u>	<u>-783 379 439</u>
Gross profit		<u>4 156 546 377</u>	<u>2 128 754 493</u>
General and administrative expenses	4,6,7	<u>-164 660 778</u>	<u>-218 260 842</u>
Profit and loss on Sales		<u>3 991 885 599</u>	<u>1 910 493 652</u>
Other operating income	5	<u>2 362 836</u>	<u>151 117 125</u>
Other operating expenses	5	<u>-694 194 570</u>	<u>-87 000 000</u>
Operating profit		<u>3 300 053 866</u>	<u>1 974 610 776</u>
Finance income	8	<u>109 258 517</u>	<u>364 102</u>
Finance cost	8	<u>-157 787 247</u>	<u>-154 455 754</u>
Ordinary result before tax		<u>3 251 525 137</u>	<u>1 820 519 124</u>
Corporate income tax	9	<u>-2 462 394 337</u>	<u>-1 262 994 473</u>
Net profit or loss for the year		<u>789 130 800</u>	<u>557 524 651</u>
Allocated as follows			
Transferred to other equity		789 130 800	557 524 651



LOTOS Exploration and Production Norge AS

Statement of Financial Positions

NOK	Note	2022	2021
Assets			
Non-current assets			
Intangible assets	10	381 001 261	820 063 669
Property plant and equipment	11, 12	3 956 335 633	3 305 256 425
Non-current financial assets	13	1 349 798 396	152 879 050
Non-current prepayments and accrued income	14	1 766 098	128 000
Total non-current assets		<u>5 688 901 388</u>	<u>4 278 327 144</u>
Current assets			
Inventories	15	<u>225 836 105</u>	<u>190 511 299</u>
<i>Current receivables</i>			
Trade receivables	16	552 002 181	14 575
Other receivables	17	1 148 013	1 080 390
Current prepayment and unbilled income	17	<u>28 671 320</u>	<u>486 298 595</u>
Total current receivables		<u>581 821 513</u>	<u>487 393 560</u>
<i>Current investments</i>			
Cash and cash equivalents	18	3 166 628 629	1 948 107 639
Total current assets		<u>3 974 286 246</u>	<u>2 626 012 497</u>
Total assets		<u>9 663 187 634</u>	<u>6 904 339 641</u>

Restricted cash at 31.12.2022: NOK 6.444.606

Restricted cash at 31.12.2021: NOK 4.160.098



LOTOS Exploration and Production Norge AS

Statement of Financial Positions

NOK	Note	2022	2021
Equity			
<i>Paid-in capital</i>			
Share capital	19	4 431 890 000	4 431 890 000
<i>Retained earnings</i>			
Retained earnings		-1 464 554 366	-2 253 685 165
Total equity		<u>2 967 335 635</u>	<u>2 178 204 835</u>
Liabilities			
<i>Provisions for non-current liabilities</i>			
Deferred tax liability	9	680 453 510	402 306 467
Asset retirement obligation long term	20	<u>2 446 389 421</u>	<u>2 240 155 065</u>
Total provisions for non-current liabilities		<u>3 126 842 931</u>	<u>2 642 461 532</u>
<i>Non-current liabilities</i>			
Long-term lease liabilities	21	<u>612 674 429</u>	<u>580 861 945</u>
Total Non-current liabilities		<u>612 674 429</u>	<u>580 861 945</u>
<i>Current liabilities</i>			
Liabilities to financial institutions		0	0
Trade payable		16 506 606	14 511 222
Tax payable	9	2 302 485 391	1 047 069 095
Public duties payable	22	9 374 719	6 589 057
Short-term lease liabilities	21	69 840 474	88 189 456
Other current liabilities	22	399 428 189	291 558 620
Asset retirement obligation	20	118 024 422	13 569 690
Short term provision	23	0	12 339 650
Accruals and deferred income	22	40 674 838	28 984 539
Total current liabilities		<u>2 956 334 639</u>	<u>1 502 811 329</u>
Total liabilities		<u>6 695 852 000</u>	<u>4 726 134 807</u>
Total equity and liabilities		<u>9 663 187 634</u>	<u>6 904 339 641</u>



LOTOS Exploration and Production Norge AS

21 February 2023
Stavanger, Norway

Piotr Dlugosz
Board Member

Bernard Jacek Cichocki
Board Member

Wojciech Andrzej Fedko
Board Member

Olav Fjell
Board Member

Alojzy Zbigniew Nowak
Board Member

Marcin Tomasz Wysocki
Board Member

Jarosław Piotr Dybowski
Board Member

Zbigniew Jerzy Wróbel
Board Member

Rafał Chmiel
Board Member

Piotr Statkiewicz
Chief Executive Officer



LOTOS Exploration and Production Norge AS

21 February 2023
Stavanger, Norway

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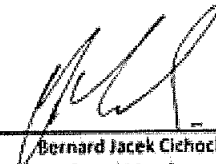
Piotr Statkiewicz
Chief Executive Officer



LOTOS Exploration and Production Norge AS

21 February 2023
Stavanger, Norway

Piotr Długosz
Board Member



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Olav Fjell
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Jarosław Piotr Dybowski
Board Member

Zbigniew Jerzy Wróbel
Board Member

Rafał Chmiel
Board Member

Piotr Stankiewicz
Chief Executive Officer

21.02.2023

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21 February 2023
Stavanger, Norway

Piotr Długosz
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Chief Executive Officer



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21 February 2023
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21.02.2023

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21 February 2023
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Zbigniew Jerzy Wróbel
Board Member

Rafał Chmielec
Board Member

Piotr Statkiewicz
Chief Executive Officer



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21 February 2023
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Piotr Statkiewicz
Chief Executive Officer



LOTOS Exploration and Production Norge AS

21 February 2023
Stavanger, Norway

Piotr Długosz
Board Member



Wojciech Andrzej Fedko
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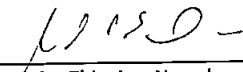
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LOTOS Exploration and Production Norge AS

Statement of Cash Flow 01.01 – 31.12

NOK	Note	2022	2021
Cash flow from operating activities			
Ordinary result before tax		3 251 525 137	1 820 519 124
Income tax paid/received		-928 825 027	561 875 308
Depreciations and amortizations		397 306 170	196 512 717
Impairments/ reversal of impairments		545 775 681	9 000 000
Change in inventories		-35 324 806	-12 253 440
Interest and profit distributions (dividends)		39 707 429	3 408 293
Effect of changes in exchange rates		5 823 456	25 321 810
Change in liabilities and accruals		198 959 484	82 274 667
Change in provisions		298 349 438	-31 176 942
Change in receivables		-552 055 228	-150 887
Change in prepayments		455 989 177	-356 429 107
Other adjustments		0	1 282 831
Net cash flow from operating activities		<u>3 677 230 911</u>	<u>2 300 184 374</u>
Cash flow from investing activities			
Increase/ Decrease of non-current financial assets		-1 196 919 345	0
Purchase of intangible assets and property, plant, and equipment		-936 304 742	-692 056 674
Net cash flow from investing activities		<u>-2 133 224 087</u>	<u>-692 056 674</u>
Cash flow from financing activities			
Repayment loans and borrowings		0	-10 000 000
Paid interest and fees		-42 593 299	-24 383
Decrease in lease liabilities		-79 205 432	-15 640 347
Net cash flow from financing activities		<u>-121 798 731</u>	<u>-25 664 730</u>
Effect of foreign exchange differences on cash		-203 687 100	8 041 812
Net change in cash and cash equivalents		1 218 520 992	1 590 504 782
Cash and cash equivalents as of 01.01		<u>1 948 107 636</u>	<u>357 602 854</u>
Cash and cash equivalents as of 31.12		<u>3 166 628 628</u>	<u>1 948 107 636</u>

Restricted cash at 31.12.2022: NOK 6.444.606

Restricted cash at 31.12.2021: NOK 4.160.098



LOTOS Exploration and Production Norge AS

Statement of Changes in Equity

NOK

	Share capital	Share issue not registered	Other equity	Total
Owners' equity 01.01	4 431 890 000	0	-2 811 209 816	1 620 680 184
Profit for the year 2021	0	0	557 524 651	557 524 651
Owners' equity 31.12.2021	4 431 890 000	0	-2 253 685 165	2 178 204 835
Owners' equity 01.01.2022	4 431 890 000	0	-2 253 685 165	2 178 204 835
Profit for the year 2022	0	0	789 130 800	789 130 800
Owners' equity 31.12.2022	4 431 890 000	0	-1 464 554 365	2 967 335 635



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

New standards and interpretations

The Company, later also referred to as LEPN or LOTOS Norge, has evaluated that there were no new standards and interpretations that are relevant for 2022.

Note 1 - Summary of Accounting Principles

1.1. Basis of preparation

The company's Financial Statements have been prepared in accordance with the Accounting Act and Regulations for simplified IFRS adopted by the Ministry of Finance 21.01.2008.

The Financial Statements have been prepared on a historical cost basis.

The functional currency of the company and the presentation currency is Norwegian Kroner ("NOK").

1.2. Accounting judgements, estimates and assumptions

The preparation of financial statements in accordance with simplified IFRS requires management to make judgements estimates and assumptions that have effect on the application of accounting principles and the reported assets, liabilities, income, and expenses.

Accounting estimates are used to determine reported amounts, including the depreciation of assets, the cost and timing of decommissioning activities, impairment testing of goodwill and the recognition and measurement of tax liabilities. Whilst these estimates are based on management's best judgement and assessments of previous current events and action, the actual results may deviate from the original estimates. Changes to accounting estimates are recognized in the period when they arise. The main source of uncertainty when making estimates and judgments relate to the following:

Proven and probable oil and gas reserves

Oil and gas reserves are estimated by the company's experts and in accordance with business standards. The estimates are based on LEPN's own assessment of internal information and information received from the operators. In addition, proven and probable reserves are certified by an external party.

Proven and probable oil and gas reserves consist of the estimated quantities of crude oil, natural gas and condensates shown by geological and technical data to be recoverable with reasonable certainty from known reservoirs under existing economic and operational conditions, i.e. on the date that the estimates are prepared.

Proven and probable reserves and production volumes are used to calculate the depreciation of oil and gas fields by applying the unit-of-production method. Reserve estimates are also used as basis for impairment testing of license related assets and goodwill.

Successful Effort Method

Expenses relating to the drilling of exploration wells are temporarily recognized in the Statement of Financial



LOTOS Exploration and Production Norge AS

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Positions as capitalized exploration expenditures, pending an evaluation of potential oil and gas discoveries. If recoveries are not discovered, or if recovery of the recoveries is considered technically or commercial unviable, the costs of exploration wells are expensed.

Judgements as to whether this expenditure should remain capitalized or be expensed at the reporting date may materially affect the operating result for the period.

Fair Value measurement

The fair value of non-financial assets and liabilities are required to be determined, to determine the allocation of purchase price in an asset deal or when the recoverable amount of an asset or CGU is based on fair value less cost to sell. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participant would use when pricing the asset or liability.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of oil fields in production and development phase is normally based on discounted cash flow models, where the determination of inputs to the models may require significant judgement.

Impairment/ Reversal of impairment

Changes in the expected future value/ cash flows of CGU's result in impairment if the estimated recoverable value is lower than the book value, or the reversal of previously recognized impairment if the recoverable value is higher than the book value. Estimates of recoverable value involve the application of judgement and assumptions, including in relation to the modelling of future cash flows to estimate the CGU's value in use or fair value.

The evaluation of impairment requires long-term assumptions concerning several often-volatile economic factors such as future oil prices, oil production, currency exchange rates and discount rates. Such assumptions require the estimation of relevant factors such as long-term prices, the level of capex and opex, production estimates and decommissioning costs. These evaluations are also necessary to determine a CGU's fair value unless information can be obtained from an actual observable market transaction.

Decommissioning and removal obligations

The company has obligations to decommission and remove offshore installations at the end of their production period. Obligations associated with decommissioning and removal of long-term assets are recognized at present value of future expenditures at the date they are expected to be incurred.

At the initial recognition of an obligation, the estimated cost is capitalized as a production asset and depreciated over the useful life of the asset (typically by using the unit-of-production method).

There is significant future uncertainty in the estimate of costs for decommissioning and removal, as these estimates are based on currently applicable laws and regulations, and existing technology. Many decommissioning and removal activities will take place many decades in the future, and both technology and related costs are expected to evolve during this time. The estimates include costs based on expected



LOTOS Exploration and Production Norge AS

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removal concepts using existing technology and estimated costs of maritime operations, hiring of single-lift and heavy-lift barges and drilling rigs. As a result, there may be significant adjustments to the estimated decommissioning liabilities and associated asset that can have effect on future financial results.

Income tax

Income tax expense, tax payable or receivables, and deferred taxes are based on management's interpretation of applicable laws and regulations, and on relevant court decisions where relevant.

These estimates are dependent on management's ability to interpret and apply the requirements of tax and other relevant legislation and requires judgement in respect to the recognition and measurement of any uncertain tax positions. See Note 11 for further details.

1.3. Operating revenues and cost

Revenues from sale of liquids or gas is recognized at the point in time when the company's contractual performance obligations has been fulfilled and control is transferred to the customer

Delivery occurs when the ownership of petroleum products has been passed to the buyer. Performance obligations are deemed to be met after actual delivery occurs and after commercial value of the arising sales revenue can be reliably estimated. Revenue from sales is based on the price specified in the sales contracts, net of the agreed quality discounts. No element of financing is deemed present as the sales are made with a credit term up to 30 days from actual delivery, which is consistent with market practice.

Changes in over/ underlift balances are valued at production cost including depreciation and presented as an adjustment to cost in the income statement.

Overlift and underlift are calculated as the difference between the company's share of production and its actual sales and are classified as current assets and current liabilities respectively. If accumulated production exceeds accumulated sales, there is an underlift (asset) and if accumulated sales exceeds accumulated production there is an overlift (liability).

Operating costs

Operating costs are recognized in the statement of Comprehensive Income in the same period as the corresponding revenues are recognized.

1.4. Classification

Current assets and current liabilities include items that fall due for payment less than one year from end of the reporting period, as well as items relating to the ordinary business cycle.

The following years installments on long term liabilities are classified as current liabilities.

1.5. Foreign currency transactions

Transactions denominated in foreign currencies are translated using the exchange rate on the transaction date. Monetary items denominated in foreign currencies in the Statement of Financial Positions are translated using the exchange rates at the reporting date. Foreign exchange gains and losses are recognized



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as incurred. Non-monetary items that are measured at historical costs in a foreign currency are translated using the exchange rates on the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate on the date when the fair value is determined.

1.6. Trade debtors

Trade debtors are recognized in the Statement of Financial Positions at nominal value after a deduction for the provision for credit losses.

1.7. Borrowing costs

Borrowing cost that can be directly ascribed to procurement, processing or production of a qualifying asset are capitalized as part of the asset's acquisition cost. Borrowing cost is only capitalized until the asset is ready for use.

Other borrowing costs are expensed in the period in which they are incurred. Revenues

Current assets and current liabilities include items that fall due for payment less than one year from the end of the reporting period.

1.8. Tax

General

Tax consists of tax payable and changes in deferred tax. Deferred tax/ tax benefits are calculated based on the differences between book value and tax basis value of assets and liabilities, except for temporary differences on acquisition of licenses that are defined as asset purchase.

Deferred tax is measured using the expected tax rate when the tax benefit is realized or the tax liability is met, based on tax rates and tax regulations that have been enacted or substantively enacted at the reporting date.

Tax payable and deferred tax is recognized against equity or other comprehensive income insofar as the tax items are related to equity transactions or items of other comprehensive income.

Deferred tax and tax benefits are presented net, where netting is legally permitted, and the deferred tax benefit and liability are related to the same tax subject and are payable to the same authorities.

Petroleum taxation

As a partner on the Norwegian Continental Shelf (NCS), Lotos E&P is subject to the special provisions of the Petroleum Taxation Act. Taxable profits from activities on the NCS are liable to ordinary income tax and special tax. The tax rate for general corporate tax was in 2021 22% and was unchanged in 2022.

Calculated ordinary corporate tax (22%) will from 2022 be deductible in the Special Tax base. To maintain an overall tax rate of 78%, a technical increase is therefore made of the Special tax rate from 56% to 71.8%.

Tax depreciation

Pipelines and production facilities can be depreciated by up to 16 2/3 percent annually, e.g. using the straight-line method over 6 years. Tax depreciation commences when the expenses are incurred.

Certain temporary changes in the Petroleum Tax Law were enacted in June 2020.



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Uplift

Uplift is a special income deduction in the basis for calculation of special tax.

Investments made in 2022 or later will not generate uplift unless they are subject to the June 2020 temporary rules. The removal of uplift was incorporated in the revised Petroleum Tax Act in October 2022, applicable for income year 2022.

For investments subject to the June 2020 temporary rules, the uplift rate is reduced from 24% to 17.69% to compensate for the technical increase in the Special Tax rate. The reduction incorporates both the increase and the net present value effect of the investments being depreciated in Year 1 against the increased Special Tax Rate.

1.9. Interest in joint arrangements

IFRS defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The company has interests in licenses on the Norwegian Continental Shelf. Under IFRS 11 Joint Arrangements, a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Borrowing costs that can be directly ascribed to procurement, processing or production of a qualifying asset are capitalized as part of the assets acquisition cost.

Interest costs incurred during the construction period are capitalized as assets under construction. Capitalization of borrowing costs is made until the time the asset is ready for use. For exchange losses/gains, see Currency.

1.10. Tangible fixed assets and intangible fixed assets

General

Tangible fixed assets are recognized on a historical cost basis. The book value of tangible fixed assets consists of acquisition cost net of accumulated depreciation and impairment losses.

Ordinary repair and maintenance costs relating to day-to-day operations are charged to the income statement in the period in which they are incurred.

Gains and losses relating to the disposal of assets are determined by comparing the selling price with the book value and are included in other operating income/ expenses.

Spare parts and service equipment are capitalized as fixed assets, if it is expected that they will be used in more than one accounting period and when they can only be used in conjunction with the fixed assets they are recorded along with.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

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Operating assets related to petroleum activities

Exploration and development costs related to oil and gas fields

Capitalized exploration expenses are classified as intangible assets and reclassified to tangible asset at the start of the development. For accounting purposes, the field is considered to enter the development phase when the technical feasibility and commercial viability of extracting hydrocarbons from the field are demonstrable, normally at the time of concept selection. All costs relating to development of commercial oil/ gas fields are recognized as tangible assets. Pre- operational costs are expensed as they are incurred.

Seismic costs in advance of drilling and drilling costs for exploration wells are temporarily capitalized pending the evaluation of potential discoveries of oil and gas reserves. If reserves are not found, or if the discoveries are considered not to be technically or commercially recoverable, capitalized exploration expenses are expensed.

The company uses the "successful efforts" method to account for exploration and development costs. All exploration costs including seismic shooting, seismic studies and "own cost", except for acquisition costs of licenses and drilling costs for exploration wells, are expensed as incurred. When exploration drilling is ongoing in a period after the reporting date and the result of the drilling is subsequently not successful, the capitalized exploration cost as of the reporting date is expensed if the evaluation of the well is completed before the date when the financial statement are authorized for issue.

The costs for acquiring licenses are capitalized and assessed for impairment at each reporting date.

Depreciation of oil and gas fields

Capitalized exploration and evaluation expenditures, development expenditures from construction, installation or completion of infrastructure facilities are capitalized as production facilities and are depreciated using the unit-of-production method based on proven and probable developed reserves expected to be recovered from the area during the concession or contract period. The reserve basis used for depreciation purposes is updated at least annually. Any changes in the reserves affecting unit-of-production calculations are reflected prospectively.

Depreciation of assets other than oil and gas fields, including right to use assets, is calculated using the straight-line method over estimated useful lives and adjusted for any impairment of change in residual value, if applicable.

1.11. Acquisitions, sales, and license swaps (prev Farm/ outs arrangement

On acquisition of a license that involves the right to explore for and produce petroleum resources, it is considered in each case whether the acquisition should be treated as a business combination or an asset purchase.

Generally, purchases of licenses in a development or production phase will be regarded as a business combination. Other license purchases regarded as asset purchases are described below.

Oil and gas production licenses

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For licenses in the development phase, the acquisition cost is allocated between capitalized exploration expenses, licenses rights and production plant.

When entering into agreements regarding the purchase/ swap of assets, the parties agree on an effective date for the takeover of the net cash flow (usually 1st January in the calendar year which would also normally be the effective date for tax purposes). In the period between the effective date and the completion date, the seller will include its old share of the license in the financial statement.

In accordance with the purchase agreement, there is a settlement with the seller of the net cash flow from the asset in the period from the effective date to the completion date- so called pro& contra settlement. The pro& contra settlement will be adjusted to the seller's losses/ gains and to the assets for the purchaser, in that the settlement (after a tax reduction) is deemed to be part of the consideration in the transaction. Revenues and expenses from the relevant license are included in the purchasers Income Statement from the acquisition date, as defined above.

Acquisitions

For a business combination to exist, the acquired asset or group of assets must constitute a business. A business combination is a transaction or event in which an acquirer obtains control of one or more businesses. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors or other owners, members or participants. This requires judgment to be applied on a case-by-case basis as to whether the acquisition meets the definition of a business combination.

If deemed not to be a business combination, the transaction will be treated as an ordinary acquisition of asset(s). In an asset acquisition the purchase price shall be fully allocated to the asset(s) acquired. No goodwill shall be booked for such transactions, and the purchase price therefore represents the fair value of the assets. Transaction costs are recorded net after deductions for tax effects, until the transaction date.

For asset acquisitions LEPN applies one of the following methods, dependent on the nature of the transaction, when allocating the purchase price to the asset(s):

Proportionate method: This method is typically applied for situations where assets of "equal value" are acquired. As an example, the purchase of two producing fields would normally qualify for the use of this method. The degree of certainty related to the valuation of the two fields would typically be comparable. When applying this method, the purchase price will be proportionately divided in two, based on the value of each field.

Cumulative method: This method is typically applied for situations where assets of "unequal value" are acquired. Purchase of unexplored exploration acreage in combination with a producing field would normally qualify for the use of this method. Different from the proportionate method, the degree of certainty related to the valuation of these two assets would not be comparable. When applying this method, the purchase price will be allocated to the asset where the valuation is most certain (producing field), and to the least certain (exploration acreage) only if there is anything left to allocate.

Farm-in agreements

Farm-in agreements are usually entered into in the exploration phase and is an agreement between two parties to be characterized by the transferor waiving future financial benefits in the form of reserves, in exchange for reduced future financial obligations. For example, a license interest is taken over in return for a share of the transferor's expenses relating to the drilling of a well. In the exploration phase, the company



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normally accounts for farm-in agreement on a historical cost basis, as the fair value cannot be reliably determined.

1.12. Impairment of non-current assets

Tangible fixed asset and intangible assets with a finite useful life will be addressed for potential impairment when event or changes in circumstances indicate that the book value of the asset is higher than the recoverable amount.

The unit of account for assessment of impairment is based on the lowest level at which it is possible to identify cash inflows that are independent of cash inflows from other groups of fixed assets. For oil and gas assets, this is typically the field or license level. Impairment is recognized when the book value of the CGU exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

When estimating value in use and fair value less cost of disposal, expected future cash flow are discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money and the specific risk related to the asset. The discount rate is derived from the Weighted Cost of Capital (WACC).

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however, not to a higher amount than if no impairment loss had been recognized. Such reversal is recognized in the statement of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1.13. Interest bearing debt

All borrowings are recognized at transaction price, which equals the fair value of the amount received net of costs directly related to the establishment of the loan or issuance of debt.

Subsequently, interest bearing borrowings are valued at amortized cost using the effective interest method: the difference between the transaction price and the face value is recognized in the Income Statement in the period until the loan falls due. Amortized costs are calculated by considering all issue costs on the settlement date, except for any discount or premium expensed immediately.

1.14. Provisions

A provision is recognized when the company incurs a commitment, legal or constructive, because of a past event it is probable that financial settlement will take place as result of this commitment, and the amount can be reliably calculated. Provisions are evaluated at each period end and are adjusted to reflect the best estimate.

Decommissioning and removal costs

In accordance with the license terms and conditions for the licenses in which the company participates, the Norwegian State can require license owners to remove installations in whole or part when production ceases or the license period expires.



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Notes to the Financial Statement

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In the initial recognition of the decommissioning and removal obligations, the company provides for the net present value of future costs related to decommissioning and removal. A corresponding asset is capitalized as a tangible fixed asset and depreciated using the unit-of-production method. Changes in the time value of the obligation related to decommissioning and removal accretion are charged to income as financial expenses and increase the liability related to future decommissioning and removal expenses. Changes in the best estimate for expenses related to decommissioning and removal are recognized in the Statement of Financial Position, except where it relates to licenses with no future production. The discount rate used in the calculations of the fair value of the decommissioning and removal obligations is the risk-free rate with the addition of a credit risk element.

1.15. Segments

The company conducts its entire business in one consistent segment, defined as exploration for and production of petroleum products in Norway. The company conducts its activities on the Norwegian Continental Shelf, and management monitors the company at this level,

The financial information to geographic distribution and large customers is presented in Note 2.

1.16. Leases

At the inception of a contract, the company assesses whether the contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The lease liability is recognized at the commencement date and measured at the present value of the remaining lease payment, discounted using the company's incremental borrowing rate at the commencement date. The borrowing rate is derived from the terms of the company's existing credit facilities.

Right of use assets are depreciated over the lease term as this is normally shorter than useful life of the assets. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the company is reasonably certain to exercise this option.

The company applies the exemption for short term leases (12 months or less) and low value leases. As such, related lease payments are not recognized in the balance sheet but expensed or capitalized in line with the accounting treatment of non-lease expenses.

1.17. Cash

Cash and cash equivalents include cash, bank deposits and other short term highly liquid investments with an original due date of three months or less.

1.18. Employee benefits

Pension schemes

The company complies with the requirement to have an occupational pension scheme in accordance with

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the Norwegian law on required occupational pension ("Lov om obligatorisk tjenestepensjon").

The company makes contribution to the pension plan for full time employees equal to 7.0 percent for salary up to 12 G and 18.1 percent between 7.1 and 12G. The pension premiums are charged to expenses as they are incurred.

1.19. Events after the balance sheet date

New information on LEPN financial position at the end of the reporting period which becomes known after the balance sheet date is recorded in the annual accounts. Events after the balance sheet date that do not affect LEPN financial position at the end of the reporting period, but which will affect the LEPN financial position in the future are disclosed if significant.

1.20. Interest bearing liabilities

The interest-bearing liabilities are recorded at amortized cost, which is cost adjusted for currency fluctuations, less repayments of principal plus or minus the cumulative amortization using the effective interest method of difference between the purchase amount and the maturity amount. The effective interest rate is the rate that exactly matches the initial amount with the discounted future cash flows related to the loan over its lifetime. The cash flows include all fees and payments between the parties in the loan agreement that may be related to the acquisition, issuance and repayment of the loan.

1.21. Inventory

Commodity inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Inventories of drilling and spare parts are reflected according to the weighted average method



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 2 - Revenue by product and geographical market

Sales have taken place in Europe and Asia.

<i>Revenues by products</i>	2022	2021
Crude oil	1 150 965 468	514 830 592
Gas	4 273 222 616	2 131 310 335
NGL	45 830 736	149 472 469
Tariff	139 843 054	112 589 090
Other	3 424	3 931 446
Total	<u>5 609 865 299</u>	<u>2 912 133 933</u>

The company's business is entirely related to exploration for and production of petroleum on, or to the borderline of, the Norwegian Continental Shelf. The company's activities are considered to have a homogeneous risk and return profile before tax, and the business is located in the geographical area Norway.

In 2022 the company has sold oil and gas production to 4 customers, of which PGNiG Supply and Trading (PST) represent the largest customer. The sales with PST represent more than 80% of total sales, and account for NOK 4.721 million. Second largest customer was Shell Trading International with sales NOK 486 million, third Equinor NOK 384 million. See also Note 24 – Transactions with related parties.

Note 3 - Cost of sales

	2022	2021
Production	918 167 421	262 950 634
Tariff	245 287 719	177 549 506
Depreciation (Refer to Note on PPE)	393 956 909	192 783 745
Environmental taxes	114 275 664	92 579 927
Insurance	65 463 288	39 599 965
Changes in inventory	-283 832 079	10 181 656
Total	<u>1 453 318 922</u>	<u>775 645 433</u>

Changes in inventory in 2022 is mostly related to Yme-oil.



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Note 4 – General and administrative expenses

	2022	2021
Payroll expenses (Refer to Note on Payroll expenses)	95 910 001	93 291 406
Exploration expenses	26 165 999	10 253 159
Development cost	935 843	79 466 235
Financial and legal services	8 661 479	7 066 580
Depreciation onshore assets	3 349 261	3 728 973
Office expenses	13 880 865	12 071 535
Technical consultancy advice	4 420 904	4 310 012
Other external services	9 187 844	6 490 435
Other expenses	2 148 580	1 582 507
Total	<u>164 660 776</u>	<u>218 260 842</u>

Note 5 – Other operating income and other operating expenses

	2022	2021
Other operating income	2 362 836	151 117 125
Other operating expenses	<u>-694 194 570</u>	<u>-87 000 000</u>
Total	<u>-691 831 734</u>	<u>64 117 125</u>

Other operating expenses in 2022, for MNOK 107,6, is related to a settlement agreement with seismic vendors to pay a transfer fee. When Grupa LOTOS merged with PKN Orlen, the ultimate owner of LOTOS Norge changed from Grupa LOTOS to Orlen. This constituted a *change of control event* which was defined in all the agreement signed with the vendors. In case of *change of control event*, LOTOS Norge had to settle with the vendors and pay a transfer fee to keep the rights to use the seismic data.

Other operating expenses for MNOK 546 refers to impairment of Yme (536 MNOK) and Skirne (10 MNOK).

The Company also did a review on asset retirement obligation (ARO) at year-end, and this created an expense for MNOK 41.3.

Other operating expenses in 2021 is related to impairment on Utgard field with 87 MNOK.

Other operating income in 2022 is mainly re-invoice of legal cost.

Other operating income 2021 is mainly reversal of impairment on Heimdal field, 78 MNOK. In addition, the company had other operating income from reversal of provision for cost for decommissioning on Yme- field of 71.1 MNOK.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 6 – Payroll expense, number of employees, management remuneration, loans to employees and auditor's fee

<i>Wage costs</i>	2022	2021
Salaries	59 667 692	54 493 605
National insurance contributions	12 402 182	10 915 293
Pension costs	10 747 241	9 019 513
Other benefits	13 092 886	18 862 996
Total payroll expenses	<u>95 910 001</u>	<u>93 291 407</u>

The total number of employees in the company during the year: 34 labour year.

Average full-time positions	34	32
-----------------------------	----	----

Management remuneration

	Salary	Other remuneration
Piotr Statkiewicz	2 719 584	4 208 083

No loans/guarantees have been authorized to either the CEO, the Board, or any other related parties.

Neither have any severance pay arrangements been established for CEO or the Board.

LOTOS has a bonus scheme for all employees calculated according to the achieved objective approved by shareholders.

<i>Auditor fee has been divided as follows</i>	2022	2021
Audit fee	650 225	656 005
Other assurance services	75 000	46 000
Total	<u>725 405</u>	<u>702 005</u>

VAT is not included in the auditor fees.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 7 - Pensions

NOK

LOTOS is bound by law to maintain a pension scheme for its employees.
LOTOS has a defined contribution plan for all employees.

	2022	2021
<i>Defined contribution cost</i>	10 268 608	8 593 495

Note 8 – Finance income and Finance costs

<i>Finance income</i>	2022	2 021
Foreign exchange gain/ loss	85 764 229	
Interest income	23 494 288	364 102
Total	<u>109 258 517</u>	<u>364 102</u>

<i>Finance costs</i>	2022	2 021
Interest expense on bank borrowings		13 626
Interest expense on non-bank borrowings	1 511 010	988 549
Accretion of abandonment provision and contingent payment (Note 23)	90 148 990	90 199 064
Other finance expense	66 127 247	35 215 692
Total	<u>157 787 247</u>	<u>154 455 753</u>

Of the net foreign exchange gain/ loss in 2022 MNOK 12,4 is realized forex.

Of the net foreign exchange gain/ loss in 2021 MNOK 14 is realized forex

Other finance expenses include MNOK 11,4 for Letter of Credit cost and MNOK 2,0 interest cost to BNP Paribas for the financing facility. The amount also include MNOK 39 in interest lease on Inspirer.

RBL was closed by LOTOS Norge on 2nd August 2022.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 9 – Income Taxes

	2022	2021
<i>Basis for 22% income taxes</i>		
Basis	3 251 525 137	1 820 519 124
Permanent differences	- 19 005 285	72 878 721
Change in timing differences	117 319 261	- 628 804 180
Basis for 22% income taxes based on P&L statement	<u>3 349 839 113</u>	<u>1 264 593 665</u>
<i>Basis for special taxes</i>		
Basis for 22% income taxes	3 349 839 113	1 264 593 665
This year's uplift	- 109 010 529	- 386 179 207
Financial items 22% tax	- 67 793 347	41 892 674
Permanent differences	-	6 740 093
Additional change in timing differences in SPT	- 351 006 313	- 861 639 370
Deduction for calculated tax in 22% (2022- rules)	- 786 078 765	
Basis for special taxes 71,8% based on P&L statement	<u>2 035 950 159</u>	<u>51 927 669</u>
<i>Specification of current taxes/utilization of losses:</i>		
Tax basis ordinary taxes 22%	<u>3 349 839 113</u>	<u>1 264 593 665</u>
Current tax 22%	<u>736 964 605</u>	<u>278 210 606</u>
Tax basis special taxes (2022: 71,8%/ 2021:56%)	<u>2 035 950 159</u>	<u>51 927 669</u>
Current tax Special Tax	<u>1 461 812 214</u>	<u>29 079 495</u>
<i>Specification of current year's tax income (-)/- loss (+)</i>		
Changes tax payables (-)/- loss (+)	2 198 776 819	307 290 101
Changes deferred tax asset (-)/- loss (+)	206 481 421	972 985 308
Prior year adjustments	57 136 099	- 17 280 936
Income taxes	<u>2 462 394 339</u>	<u>1 262 994 473</u>
<i>Reconciliation of tax income /-expense</i>		
Marginal taxes 78%	2 536 319 668	1 420 004 917
Tax effect of financial items without special taxes	- 37 964 274	23 459 897
Tax effect of uplift	- 78 269 560	- 216 260 356
Tax effect permanent diff	- 14 827 594	53 070 950
Correction of previous year's taxes	57 136 099	- 17 280 936
Current year's income taxes	<u>2 462 394 338</u>	<u>1 262 994 472</u>



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

<i>Corporate tax payable</i>		
Corporate tax payable 22%	- 1 498 495 210	- 456 120 910
Corporate tax payable (71,8% (2022)/ 56% (2021))	- 1 461 812 214	- 29 079 495
Uncertain Tax positions	- 271 008 966	
Tax paid/received	928 830 999	561 875 308
Current tax due	<u>- 2 302 485 391</u>	<u>- 1 047 075 713</u>
Corporate tax payable - breakdown		
Current tax due CY	- 2 031 476 425	- 785 214 529
Current tax due PY (UTP)	- 271 008 966	- 261 861 184
	<u>- 2 302 485 391</u>	<u>- 1 047 075 713</u>
<i>Tax effect of temporary timing differences:</i>		
Properties, plant and equipment and intangible assets	1 859 000 480	1 785 015 430
Provision for removal	- 2 564 413 843	- 2 345 503 453
Liability for overlift	8 027 712	11 384 373
Consumables Spare parts	146 554 818	124 584 281
Other temporary differences	66 738 881	29 985 630
Basis for deferred taxes/ -tax assets - ordinary taxes 22%	<u>- 484 091 952</u>	<u>- 454 504 999</u>
<i>Additional Tax effect of temporary timing differences SPT:</i>		
Properties, plant and equipment and intangible assets additional depreciation	1 708 176 264	1 351 464 939
Basis for deferred taxes/ - tax assets- special taxes	<u>1 224 084 312</u>	<u>896 959 940</u>
Deferred taxes/ tax assets - 22%	- 106 500 229	- 99 991 100
Deferred taxes/ tax assets - 2022 investments	- 39 806 842	
Deferred taxes/ tax assets - Special Tax	826 760 582	502 297 566
Deferred taxes/ tax assets in the balance- sheet	<u>680 453 510</u>	<u>402 306 467</u>

Refer to Note 1.8 on information about tax rates and current tax rules.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 10 - Intangible assets

	Cap. expl. costs	Software	Total
Acquisition cost at 01.01.2022	867 986 202	6 272 215	874 258 417
Additions	256 970 844		256 970 844
Move to dev asset	- 723 254 233	-	- 723 254 233
Write down/ other adjustments			-
Acquisition cost 31.12.2022	401 702 813	6 272 215	407 975 028
Accumulated amortization 01.01.2022	- -	5 777 792 -	5 777 792
Amortization for the year	-	419 019 -	419 019
Accumulated amortization 31.12.2022	- -	6 196 811 -	6 196 811
Accumulated impairments 01.01.2022	- 48 416 956	- -	48 416 956
Impairment adjustments due to reclassification	27 640 000	-	27 640 000
Accumulated impairments 31.12.2022	- 20 776 956	- -	20 776 956
Net carrying amount at 31.12.2022	380 925 857	75 404	381 001 261

Amortization plan
Depreciation rates

Straight line
33 %



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 11 - Property, Plant and Equipment

NOK

Property, Plant and Equipment in Balance Sheet consist of bot PP&E as well as Right-of-use Assets and divided as follows. Please see note 12 for further info on Right-to-use Assets.

	Note	2022	2021
Property, Plant and Equipment	11	3 452 521 820	2 668 888 550
Right-of-use assets	12	503 813 813	636 367 871
Total Property, Plant and Equipment		3 956 335 633	3 305 256 421

	Office equipment and other movables	Fields under development	Production facilities incl. wells	Total
Acquisition cost 01.01.2022	16 831 480	130 251 595	7 703 298 705	7 850 381 780
Adjusted balance at 1 January 2022	-	-	-	-
Additions	253 431	261 267 128	411 849 059	673 369 618
Reclassification from exploration to development	-	723 254 233	-	723 254 233
Abandonment asset change in provision	-	-	198 463 400	198 463 400
Acquisition cost 31.12.2022	17 084 911	1 114 772 956	8 313 611 164	9 445 469 031
Acc. depreciation 01.01.2022	-	1 955 919	3 259 967 146	3 271 458 372
Depreciation for the year	-	2 930 242	346 166 030	349 096 272
Acc. depreciation 31.12.2022	-	1 955 919	3 606 133 176	3 620 554 644
Acc. impairment 01.01.2022	-	177 588 164	1 726 578 947	1 904 167 111
Impairments for the year	-	-	440 585 456	440 585 456
Impairment adjustments due to reclassification	-	27 640 000	-	27 640 000
Reversal impairment for the year	-	-	-	-
Acc. impairment 31.12.2022	-	205 228 164	2 167 164 403	2 372 392 567
Net carrying amt. 31.12.2022	4 619 362	907 588 873	2 540 313 585	3 452 521 820
Amortization plan	Straight line 15-33%		UoP	

Property, Plant and Equipment are depreciated according to the Unit of Production method (UoP).

Fields under development

Fields under development is related to the 11.9% share NOAKA- fields (FGD, Fulla, Rind and Frøy) as well as 12.3% on Trell& Trine license. Yme- field came in operation in October 2021.

Production facilities incl. wells

Production facilities incl. wells are related to Yme- license, Heimdal licenses and Sleipner licenses.

In the assessment of recoverable value, the expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields. According to IAS 36 Impairment of Assets methodology of recoverable value of assets verification is based on the higher of fair value less costs of disposal and value in use.

Current year impairment of NOK 546 million is related to the Yme field (536) and Skirne (10).



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Basis for assumption on impairment

Methodology – cash generating units (CGU)

The company determines the recoverable amount for the individual assets, however if it is justified, recoverable amount for the asset's cash-generating unit (CGU) is calculated. The CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Considering cash inflows and technical structure of facilities, the company treats Sleipner West, Sleipner East and Gungne as one CGU for impairment test purposes.

Oil price

Future price level is a key assumption and has significant impact on the net present value. Forecasted oil and gas prices are based on the PKN ORLEN estimates and available market data. Prices of hydrocarbons i.e. oil and gas are partly based on forward curves. Forward curve refers to a series of sequential prices note market participants could enter into contracts to purchase. The information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward.

Oil and gas reserves

The reserves applied in the impairment testing are based on the proven and probable reserves. The recoverable amounts of assets are sensitive to changes in reserves. Refer to note on Proved and Probable Reserves.

Discount rate

Discount rates represent the current market assessment of the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate(s) used is set to 7.27% in 2023 and ranging from 7.13-7.22% in the period 2024-2027, before remaining flat at 6.79% in the following years.

Currency rates

The company is exposed to exchange rate fluctuations between USD and NOK cash flows with regards to the financial statements. Significant cash flows are invoiced and paid in USD and the Company has used a future exchange rate of USD/NOK 9.46 in 2023 and decreasing each year from 8.75 in 2024 to 8.31 in 2026. From 2027 it is assumed to remain steady at 8.17.

The long-term inflation rate is assumed to be 2.1 per cent annually. This assumption of NOK Consumer Price Index increase is used across whole PKN ORLEN Capital Group and is considered a reasonable estimate of the future inflation rate.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 12 - Right-of-use assets

NOK

	Right-of-use asset office	Right-of-use offshore asset	Total
Gross value 01.01.2022	14 886 757	644 744 274	659 631 031
Change/additions	67 921	23 044 861	23 112 782
Gross value 31.12.2022	14 954 678	667 789 135	682 743 813
Acc. depreciation 01.01.2022	-	15 267 300	23 263 169
Depreciation for the year	-	47 790 879	50 476 606
Acc. depreciation 31.12.2022	-	63 058 179	73 739 775
Impairment	-	105 190 225	105 190 225
Net carrying amt. 31.12.2022	4 273 082	499 540 731	503 813 813

	Right-of-use asset office	Right-of-use offshore asset	Total
Gross value 01.01.2021	14 886 757	11 735 514	26 622 271
Change/additions	-	633 008 760	633 008 760
Gross value 31.12.2021	14 886 757	644 744 274	659 631 031
Acc. depreciation 01.01.2021	-	7 823 667	13 152 095
Depreciation for the year	-	7 443 624	10 111 065
Acc. depreciation 31.12.2021	-	15 267 291	23 263 160
Net carrying amt. 31.12.2021	6 890 888	629 476 983	636 367 871

LEPN follows IFRS16 for leases. Under IFRS 16 a lessee will recognize a right- to-use asset and a lease liability for all leases except short term leases and leases of low value assets. The lease liability is calculated as the present value of outstanding leases, discounted using the incremental borrowing rate at the date of the transition. The asset is the set equal to the liability. Right- to-use assets are depreciated using the straight-line method. Ref principal note on lease.

Repsol Norge AS (RNAS), operator on Yme- license, concluded and signed on behalf of Yme- license on the 27th of May 2021 with the owner of Mobile Offshore Drilling and Production Unit (MODPU)- "Maersk Inspirer Operation AS" on a financial lease through a BBC (Bare Boat Charter) with 'Havila Sirius AS' as a financial counterparty, whereas:

- Havila Sirius AS will buy the MODPU from Maersk Inspirer Operations AS for 373 MUS\$D,
- Yme partners will lease the MODPU for 10 years, paying to Havila leasing rates on a quarterly basis, with the obligation to buy it for 1 NOK upon termination of the lease agreement,
- RNAS will take over complete operatorship of the MODPU from Maersk, and the current 'Lease and Operate Agreement' with Maersk was terminated.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 13 – Non-current financial assets

NOK

Escrow Account in NOK 2022: 1 349 798 396 (2021: 152 879 050)

As an integral part of the Sales and Purchase Agreement between Centrica Resources Norge AS (from 2017 Spirit Energy Norway AS) and LEPN a comprehensive Decommissioning Security Agreement (DSA) was established and agreed upon. The main element of the DSA is a commitment on LEPN to establish a decommissioning security by providing a Letter of Credit for the total amount or by executing the Escrow account and Pledge Agreement.

As part of the RBL facility, LEPN provided for Spirit Energy Norway Letter of Credit partially covered by cash collateral to secure Heimdal decommissioning project. From 01.01.21, after signing the Amendment to DSA agreement, Letter of Credit for Heimdal decommissioning obligations together with cash collateral account were replaced with Escrow Account in SEB bank, pledged for Spirit Energy Norway.

In 2022 calculated escrow amount was MNOK 146.1, from 31.12.2022 the amount is increased to MNOK 169.8.

As an integral part of the Sales and Purchase Agreement between ExxonMobil and LEPN a comprehensive Decommissioning Security Agreement (a DSA) was established and agreed upon. The main element of this DSA is a commitment on LEPN to establish a decommissioning security by providing a Letter of Credit for the total amount or by executing the Escrow account and Pledge Agreement. On 21st of March 2019 LEPN established an RBL financing facility allowed to replace all funds from escrow account with a letter of credit (LoC) issued by BNP Paribas, following full release of funds from Escrow. Per 31.12.21 a Letter of Credit was issued to the amount of MNOK 1.104 after new calculations based on new RNB figures the amount was increased to MNOK 1.180.

In July 2022 the Company decided to terminate the RBL facility, therefore replaced the security for Sleipner decommissioning back again to Escrow account in Nordea bank, pledged for ExxonMobil to the same amount. From 31st December 2022 new amount for escrow account is MNOK 1.180.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 14 - Non - Current prepayments and accrued income

<i>Non-Current prepayment</i>	2022	2021
Development asset insurance	1 766 098	128 000

Note 15 - Inventories

NOK

	2022	2021
Oil	73 800 090	60 016 741
Ethane	199 138	366 107
Propane	2 031 615	2 619 905
Butane	1 254 545	664 909
Iso Butane	126 925	1 047 308
Naptha	367 870	271 099
Consumables	<u>148 055 922</u>	<u>125 525 230</u>
Total	<u>225 836 105</u>	<u>190 511 299</u>

Consumables is related to offshore rig, drilling and well equipment for offshore joint venture of MNOK 148.0.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 16 – Trade receivables

The company's customers are mainly large, financially sound oil companies.

Accounts receivable consist of receivables related to sales of oil and gas.

	<u>31.12.2022</u>	<u>31.12.2021</u>
Receivables related to the sale of petroleum	552 002 180	14 575
Total accounts receivable	<u>552 002 180</u>	<u>14 575</u>

Age distribution of accounts receivable as of 31 December for the company was as follows:

Year	Total	Not due <30d	30 - 90d	>90d
2022	552 002 181	552 002 181		
2021	14 575	14 575		

Note 17 - Specification of other receivables and current prepayment and accrued income

<i>Other receivables</i>	2022	2021
VAT receivables	1 148 013	1 080 390
<i>Current prepayment and unbilled income</i>		
Accrued revenue gas*	-	437 496 915
Prepayments arising from JV agreements	24 844 125	31 203 020
Development asset insurance	1 315 437	3 623 961
Other accrued revenue*	-	8 684 942
Other prepayments	<u>2 511 758</u>	<u>5 289 756</u>
	<u>28 671 320</u>	<u>486 298 595</u>

*All revenues related to 2022 sales was invoiced in 2022.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 18 - Restricted assets

As required under Norwegian law cash related to taxes withheld from employees of NOK 6.4 million are restricted (2021: NOK 4.1 million).

The Company also have two Escrow accounts, whereas one is pledged for Spirit Norway, the other is pledged for Exxon Mobil. Total amount MNOK 1.36. See Note 25 for further information.

Note 19 - Share capital and shareholder information

Share capital

	Number of shares	Face value	Book value
LOTOS UPSTREAM S.P.	4 431 889 999	1	4 431 889 999
Polski Koncern Naftowy Orlen	1	1	1
Total	4 431 890 000		4 431 890 000

All the shares have equal voting rights. PKN Orlen's A- share carries one board member position in the company. Group accounts are prepared by PKN Orlen, ul.Chemikow 7, 09-411 Plock, Poland. Consolidated financial statements may be obtained at the internet link: <https://www.ornen.pl/en/investor-relations/reports-and-publications/financial-results>



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 20 - Asset retirement obligation

	2022	2021
Long-term		
Asset retirement obligation as of 01.01	2 240 155 065	2 227 238 465
Addition/ Change in the provision/ estimate	93 385 366	- 76 695 095
Gasled removal liability	22 700 000	-
Current year accretion	90 148 990	89 611 695
Long-term Asset retirement obligation as of 31.12	<u>2 446 389 421</u>	<u>2 240 155 065</u>
Short-term		
Asset retirement obligation as of 01.01	13 569 689	13 053 897
Addition/ Change in the provision/ estimate	123 545 652	9 200 279
Use	- 19 090 920	- 8 684 487
Short-term asset retirement obligation as of 31.12	<u>118 024 421</u>	<u>13 569 689</u>
Total asset retirement obligation as of 31.12	<u>2 564 413 842</u>	<u>2 253 724 754</u>

The asset retirement obligation regards removal of the installations, plugging and abandonment of wells at Yme, Heimdal, Atla, Skirne, Vale, Utgard and Sleipner fields (Sleipner West, Sleipner East and Gungne). The assumptions for removal are in alignment with the current Norwegian Continental Shelf and International decommissioning guidelines. LEPN expectations of future decommissioning costs are based on Revised National Budgets 2022 issued by operators.

In the calculation of the commitment it is used an assumption of inflation at 2.1%, and a discount rate of 3.01 – 3.16% in years 2023- 2027 and in following years 2.64%. Estimated removal time will be between 2022 and 2035. There is a high degree of uncertainty relating to the extent of the abandonment costs. Current year accretion is included in Other financial expenses.

The changes in 2022 include adjustments of the removal provisions for Heimdal, Atla, Skirne, Vale, Yme, Sleipner and Utgard.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 21 – Financial liability IFRS 16

Leasing cost in the comprehensive income				
	Building	Transport	Production facilities	Total
Depreciation for the year	2 685 727	12 755 790	35 035 089	50 476 606
Finance cost	338 342	241 243	39 126 967	39 706 552
Total	3 024 069	12 997 033	74 162 056	90 183 158

Non- current lease

Lease contract opening balance	4 920 509	2 811 730	573 129 706	580 861 945
New contract			2 729 679	2 729 679
Transfer LT/ST	-	3 012 959	-	35 502 412
FX			70 409 906	70 409 906
Total Non- current lease 31.12.2022	1 907 550	-	610 766 879	612 674 429

Current lease

Lease contract initial value	2 818 717	4 817 664	80 553 075	88 189 456
New contract		10 953 338	9 361 835	20 315 173
Transfer Long term/ short term	3 012 959	2 811 730	35 502 412	41 327 101
FX			4 815 266	4 815 266
Interest expense	338 342	241 243	39 126 967	39 706 552
Repayment	-	3 174 788	-	13 244 132
Adjustment	67 921		-	2 782 264
Total Current Lease 31.12.2022	3 063 151	5 579 843	61 197 480	69 840 474

Lease liabilities are payable as follows

	Future minimum lease payments 2022		Interest 2022	Present values of minimum lease payments 2022
Less than one year	108 729 662		34 199 375	74 530 288
Between one and five years	384 403 506		100 342 259	284 061 247
More than 5 years	362 483 120		35 777 488	326 705 632
Total lease payments	855 616 288		170 319 121	685 297 167



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 22 - Specification of other current liabilities

Specification of items included in other short-term liabilities:

	2022	2021
Accruals related to non-operated licenses	389 858 873	222 335 206
Salaries and wages	6 669 008	5 889 221
Liability for overlift	<u>2 900 309</u>	<u>63 334 194</u>
Other current liabilities	<u>399 428 190</u>	<u>291 558 621</u>

Accruals related to non-operated licenses ITD from December billing of NOK 389,8 million.

Liability for over-lift is according to IFRS 15 implementation, ref. principal note on revenues.

Public duties payable

	2022	2021
Social security & withholding tax	<u>9 374 719</u>	<u>6 589 057</u>
Public duties payable	<u>9 374 719</u>	<u>6 589 057</u>

Social security and withholding tax are for 6th term of 2022.

Accrual and deferred income

	2022	2021
Accrued bonus	7 374 952	14 617 010
Other accrued expenses	24 316 383	10 602 631
Petoro tax for PL029	<u>8 983 522</u>	<u>3 764 917</u>
Total accruals	<u>40 674 838</u>	<u>28 984 558</u>

Other accrued expenses are mostly related to trade payables.

They are all due early 2022.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 23 - Other provisions

	2022	2021
Long-term provision	0	0
Short-term provision	0	12 339 650

The provision of MNOK 12.3 in 2021 was related to Yme project company delay risk. The provision was reversed in 2022.

Note 24 – Transaction with related Parties

At year end 2022 both LOTOS E&P Norge AS, PGNiG Upstream Norge AS (PUN) and PGNiG Supply& Trading GmbH (PST) are owned by the ultimate mother-company, PKN Orlen SA. Therefore, we consider both PUN and PST to be related parties for 2022 and choose to report both as such.

Transactions with related parties are carried out based on the “arm’s length”- principle.

Related party	Receivables (+)/ Liabilities (-)	2022	2021
PGNiG Supply& Trading GmbH	Receivables	568 117 826	-
PKN Orlen SA	Trade creditors	- 112 802	-
Lotos Upstream Sp Zoo	Trade creditors	- 44 924	-
PGNiG Upstream Norway AS	JV Creditor (cash-call)	794 705	-

Related party	Revenues (-)/ Expenses (+)	2022	2021
PGNiG Supply& Trading GmbH	Revenues	- 4 721 020 646	- 1 767 484 289
PKN Orlen SA	Expenses	10 025 026	-
Grupa Lotos	Expenses	1 531 874	1 595 614
Lotos Petrobaltic	Expenses	29 073 406	2 328 670
Lotos Upstream	Expenses	527 918	546 268



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 25 - Mortgages, guarantees and contingent liabilities

As part of the acquisition of Sleipner assets LEPN has provided the seller (ExxonMobil Exploration and Production Norway AS) full and final settlement of the decommissioning security in respect of the Sleipner East Field Facilities. With respect to Abandonment Obligations relating to all other Facilities (Sleipner East Existing Wells, Sleipner West Field Facilities and Sleipner West Existing Wells) LEPN has established the Escrow Account held by the Escrow Agent – Nordea Bank - and pledged as first priority security in favor of ExxonMobil. As a result of new RBL financing arrangement, funds on Escrow account were released in 2019, and replaced by Letter of Credit issued bank BNP Paribas (refer to note 13).

In 2022 escrow account in Nordea bank was established as DSA security, pledged for ExxonMobil, and RBL was terminated.

As part of the acquisition of Heimdal assets LEPN has provided the seller Spirit Energy Norway AS (Previously "Centrica Resources (Norge) AS" and "Centrica Norway Limited" represented by its Norwegian Branch (Spirit Energy NUF) a bank guarantee in the form of letter of credit as a pledge of LEPN resulting from the future decommissioning. This was in January 2021 replaced with Escrow Account in SEB Bank, pledged for Spirit Energy Norway.

	2022	2021
Assets pledged for debt	1 363 702 079	2 668 483 270



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 26 - Information about licenses

No	Production License Number	License Name	Expiration date	Operator	LOTOS E&P Norge [%]		Area [sq km]
1	PL 020	Rind	23.05.2025	AkerBP ASA	87.70%	12.30%	29.54
2	PL 020 B	Figg Gamma Delta Langfjellet	23.05.2025	AkerBP ASA	87.70%	12.30%	17.36
3	PL 029	Stepper	31.12.2028	Vår Energi AS	85.00%	15.00%	27.04
4	PL 036	Voe	11.06.2023	Sval Energi AS	50.00%	25.76%	19.16
5	PL 036 B5	Hamdøl	11.05.2021	Equinor Energy AS	29.44%	5.00%	13.99
6	PL 036 E	Hemdal Øst/Troms	11.06.2023	AkerBP ASA	58.00%	16.00%	6.74
7	PL 036 F		11.05.2023	AkerBP ASA	58.00%	16.00%	5.25
8	PL 046	Seppner	31.12.2028	Equinor Energy AS	62.00%	15.00%	335.65
9	PL 046 E	Utgard	31.12.2028	Equinor Energy AS	62.00%	28.00%	8.60
10	PL 046 F	Utgard	31.12.2028	Equinor Energy AS	62.00%	28.00%	15.54
11	PL 102	Skarnsbygga	01.03.2025	TotalEnergies EP Norge AS	40.00%	30.00%	37.14
12	PL 102 C	Alv	01.03.2025	TotalEnergies EP Norge AS	40.00%	20.00%	11.34
13	PL 102 D	South of Tir	01.03.2025	AkerBP ASA	44.00%	20.00%	6.999
14	PL 102 E	Skarns	01.03.2025	TotalEnergies EP Norge AS	40.00%	30.00%	3.50
15	PL 102 F	Trill	01.03.2025	AkerBP ASA	44.00%	10.00%	15.73
16	PL 102 G	Tre	01.03.2025	AkerBP ASA	44.00%	10.00%	10.48
17	PL 102 H	Tir	01.03.2025	AkerBP ASA	44.00%	20.00%	26.248
18	PL 249	Voe	11.06.2023	Sval Energi AS	50.00%	25.76%	1.21
19	PL 316	Yme	18.06.2050	Repsol Norge AS	55.00%	20.00%	139.84
20	PL 316 B	Yme	18.06.2050	Repsol Norge AS	55.00%	20.00%	16.57
21	PL 364	Froy	31.12.2023	AkerBP ASA	87.70%	12.30%	32.20
22	PL 442	Figg Gamma Delta Langfjellet	15.05.2027	AkerBP ASA	87.70%	12.30%	90.19
23	PL 442 B	Figg Gamma Delta Langfjellet	31.12.2023	AkerBP ASA	87.70%	12.30%	41.69
24	PL 442 C		14.02.2025	AkerBP ASA	87.70%	12.30%	80.58
25	PL 822 S		05.02.2026	AkerBP ASA	87.70%	12.30%	71.00
26	PL 873	Fuld	10.02.2025	AkerBP ASA	47.70%	12.30%	169.64
27	PL 874	Figg Gamma Delta Langfjellet	10.02.2027	AkerBP ASA	87.70%	12.30%	67.52
28	PL 918 S	Rek	02.03.2021	Equinor Energy AS	75.00%	25.00%	43.41
29	PL 1001		19.02.2028	ABP Norway AS	40.00%	20.00%	195.71
30	PL 1098		15.02.2028	Sval Energi AS	50.00%	50.00%	53.14
31	PL 1099		19.02.2028	AkerBP ASA	40.00%	30.00%	1 240.44
32	PL 1135		11.03.2029	PGNG Upstream Norway AS	70.00%	30.00%	866.58
33	PL 1142		11.03.2028	AkerBP ASA	73.01%	17.94%	89.62
34	PL 1143		11.03.2028	AkerBP ASA	73.01%	17.94%	15.71
35	PL 1144		11.03.2028	AkerBP ASA	40.00%	30.00%	240.44

* 28% in Norwegian license PL046E. However, 17.36% in Utgard field unitized between UK and Norway.



LOTOS Exploration and Production Norge AS

Notes to the Financial Statement

NOK

Note 27 - Proved and probable reserves (unaudited)

NOK

Amounts in million barrels of oil equivalent, (BoE)	Seljuvnet Area	Heimdal Area	Yme	Utgard	Hugh and Fulla Area	Tyrving Area	Total
Proved and probable reserves as of 01.01.2021	11.17	1.02	12.54	1.61	0.00	0.00	26.34
+Production	-2.54	-0.74	-0.08	-0.76			-4.07
+/- Revisions	0.50	0.32	0.04	-0.80			0.06
+/- Acquisitions or sales							0.00
+Improved Oil Recovery (IOR)							0.00
+ Discoveries/Developments							0.00
Total proved and probable reserves as of 31.12.2021	9.12	0.61	12.56	0.04	0.00	0.00	22.33

Amounts in million barrels of oil equivalent, (BoE)	Seljuvnet Area	Heimdal Area	Yme	Utgard	Hugh and Fulla Area	Tyrving Area	Total
Proved and probable reserves as of 01.01.2022	9.12	0.61	12.56	0.04	0.00	0.00	22.33
+Production	-1.94	-0.60	-0.67	-0.44			-3.66
+/- Revisions	0.98	0.24	-2.45	0.33			-0.90
+/- Acquisitions or sales							0.00
+Improved Oil Recovery (IOR)				0.37			0.37
+ Discoveries/Developments					35.24	2.63	37.87
Total proved and probable reserves as of 31.12.2022	8.16	0.25	9.43	0.31	35.24	2.63	56.02

Having submitted two Plans for Development and Operation of NOA& Fulla area and Trell&Trine area the Company significantly increased 2P reserves from 22.3 million of boe at the end of 2021 year to 56 million of boe at the end of 2022 year.

Note 28 – Subsequent events

As result of the merger of Polish companies PGNiG into PKN Orlen and the earlier merger of Grupa Lotos with PKN Orlen, which took place in 2nd half of 2022, Norwegian Ministry of Petroleum and Energy issued the decision on October 10, 2022, addressed to PGNiG Upstream Norway, stipulating in particular that all interests in licenses on the Norwegian Continental Shelf which, as a result of the above-mentioned mergers, came under the control of PKN Orlen, shall be consolidated within 6 months i.e. by May 2nd, 2023.

In February 2023 Lotos E&P Norge AS received an offer for acquisition of the entire business of the Company from PGNiG Upstream Norway. Lotos E&P Norge AS will remain as a separate entity, while all the assets and personnel will be acquired by PGNiG within 1st half of 2023 year.



LOTOS Exploration and Production Norge AS

Board of Directors Report

for the year ended 31.12.2022

21st of February 2023



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1. Nature and location of business

LOTOS Exploration and Production Norge AS (LOTOS E&P Norge, the Company), a Norwegian private limited liability company and a subsidiary of Grupa LOTOS S.A. Business Group in Poland, was established on 14 September 2007. The purpose of the Company is, *inter alia*, to explore for and produce hydrocarbons and perform services in connection with oil and gas fields.

The Company's premises are located in Stavanger, Jåttåvågeveien 7, Blokk C. The Company's activities are mainly directed at the Norwegian Continental Shelf (NCS). As at 31 December 2022 the Company was owned 99.9999998% by LOTOS Upstream Sp. z o.o. (4 431 889 999 shares), headquartered in Gdańsk, Poland, (LOTOS Upstream Sp. z o.o. is further owned 100.00% by PKN ORLEN S.A. (The ORLEN Group)) and 0.0000002% (1 share) by PKN ORLEN S.A., headquartered in Płock, Poland.

The ORLEN Group has finalized its merger with Grupa LOTOS in 2022, strengthening its leading role in the fuel and energy industry in Central and Eastern Europe. The final step in the process that has been successfully completed was registration of the merger by the District Court of Łódź. The ultimate parent company, PKN ORLEN S.A., is a joint-stock company listed on the Warsaw Stock Exchange (WSE).

The ORLEN Group is an integrated, multi-utility company, operating in Central Europe and Canada. It provides energy and fuel to over 100 million of Europeans, while its advanced products are marketed to over 90 countries across 6 continents. The ORLEN Group pursues strengthening of position of a regional leader in energy transition by implementing clean and sustainable technologies, as well as power generation based on low- and zero-emission sources. The actions are driven by a strategic goal of reaching emission neutrality by 2050.

2. Highlights in 2022 financial year.

The business operated by LOTOS Exploration and Production Norge AS focuses on oil and gas production from the Sleipner, the Heimdal areas and YME, development of oil and gas deposits and exploration for near field potential prospects. Total combined annual average daily production rate in 2022 was 10.0 thousand boe.

The Sleipner area includes 15% participating interest in 4 producing fields: Sleipner East (including the production platform), Sleipner Vest, Gungne and Loke and 17.36% participating interest in unitized cross-border field development Utgard. Production of petroleum from the Sleipner area fields in 2022 resulted in 2.4 million boe, with average annual daily rate of 6.6 thousand boe.

The Heimdal area groups from 5% to 30% participating interest in the producing fields: Heimdal (including production platform), Vale, Skirne and Atla. Production of petroleum from the Heimdal area in 2022 resulted in 0.6 million boe, with an average annual daily rate of 1.6 thousand boe.

The Yme field, with 20% participating interest, has started production in Q4 2021. Production of petroleum from the Yme field in 2022 resulted in 0.7 million boe with average annual daily rate of 1.8 thousand boe.

2022 year was time of extraordinary macro-economic environment, which prevailed in second part of the year. Sleipner operational performance was affected by faulty electrical motor, which

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resulted in significantly reduced production from Sleipner fields for extended period of time. However, this operational challenge was offset by extremely high commodity prices through the year. Competitive production costs across all company held assets helped to maintain gross margins at exceptional levels and solid liquidity situation during the year.

During the year 2022 company equity was increased by net profit of NOK 789 million to NOK 2,967 million. The change is only transfer of 2022 positive net result to Retained Earnings. Significant events for LOTOS Exploration and Production Norge AS during 2021 in chronological order were as follows:

January 2022

- LOTOS Norge awarded 4 exploration licenses in licensing round APA 2021.
- COVID-19 pandemic was still affecting administrative operations of the company. As result of country wide restrictions most of the staff was working remotely.
- Revenue from first Yme cargo was recognized in January 2022.
- Vale production extension sanctioned by partners till summer 2023.

February 2022

- Escalation of Russia and Ukraine war conflict leading to significant increases in commodity prices.

March 2022

- Office reopened to all employees following COVID 19 forced home office environment.
- Failure of electric motor on Sleipner platform leading to significantly reduced production levels.

July 2022

- Trell&Trine development asset Plan for Development and Operation (PDO) submission to the ministry.

August 2022

- PKN Orlen finalizes acquisition of GRUPA Lotos S.A. triggering change of ultimate owner of the company.
- LOTOS Norge terminated RBL financing

September 2022

- Submission of application for APA2022 licensing round for 1 license.

November 2022

- Sleipner electric motor was fixed and fields are back to production levels above expectations.
- MPE Norway gives conditional consent for 6 months to merger between Polish companies PKN Orlen and PGNiG S.A. which took place on November 2nd.

December 2022

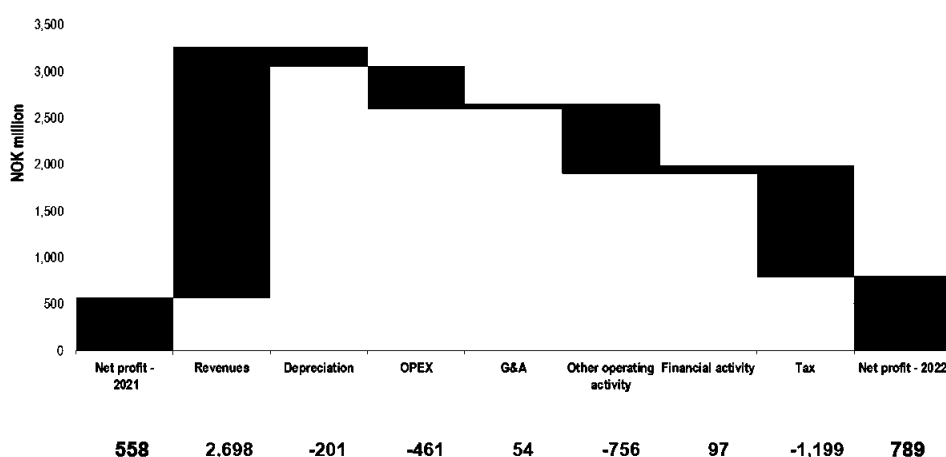
- NOA&Fulla development asset Plan for Development and Operation (PDO) submission to the ministry.

LOTOS Exploration and Production Norge AS - Annual Report 2022

3. Financial performance

The 2022 financial year net profit was NOK 789 million comparing to net profit of NOK 558 million in 2021. Main positive contributors to the profit or loss statements were significant upward shifts in commodity pricing during the year, especially extraordinary gas price levels, highest in history for so extended period, in the mid of the year.

Figure 1: Decomposition of Net Profit/Loss from 2021 to 2022



Exceptional macro-economic environment and stable Heimdal assets production were major drivers for company revenue generating ability. The Company sales income in majority was generated by sales of natural gas 76% in 2022 compared to 73% in 2021 from total revenues. During the 2022-year company generated 21% of its turnover from oil compared to 18% in 2021. Further 3% were generated from sales of NGLs and tariff charges compared to 9% in 2021. Exceptionally better than expected commodity market during end of 2022 financial year allowed company to maintain healthy main financial metrics.

Figure 2: Changes in company main Key Performance Indicators

P&L statement	Unit	January - December		Variance A2022/A2021
		A2021	A2022	
Sales revenue	th. NOK	2,912,134	5,609,865	● 2,697,731
Cost of goods sold	th. NOK	783,379	1,453,319	● 669,940
Gross profit/loss from sales	th. NOK	2,128,755	4,156,546	● 2,027,791
Net profit/loss	th. NOK	557,525	789,131	● 231,606
EBITDA	th. NOK	2,162,924	3,697,360	● 1,534,436
EBITDA (without one offs)	th. NOK	2,098,807	4,389,192	● 2,290,385

The 2022 achieved prices for gas and oil have increased compared with 2021 with 169% and 52% respectively, but the effect of high prices on revenues was somewhat reduced by a 27% drop in salable production.



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Figure 3: Changes in company supplementary Key Performance Indicators

Production [boe]	units	January - December		Variance A2022/A2021
		A2021	A2022	
Gas	boe	2,766,728	2,105,354	● -24%
Oil	boe	948,716	1,392,726	● 47%
NGL	boe	356,258	170,140	● -52%
Other	boe			○ 0%
Total Production	boe	4,071,703	3,668,219	● -10%

Sales [boe]	units	January - December		Variance A2022/A2021
		A2021	A2022	
Gas	boe	2,766,728	2,105,354	● -24%
Oil	boe	920,192	1,182,133	● 28%
NGL	boe	403,494	74,988	● -81%
Other	boe			○ 0%
Total Sales	boe	4,090,415	3,362,475	● -18%

Sales Revenue	units	January - December		Variance A2022/A2021
		A2021	A2022	
Gas	kNOK	2,122,309	4,264,818	● 101%
Oil	kNOK	523,832	1,159,370	● 121%
NGL	kNOK	149,472	45,831	● -69%
Other	kNOK	116,521	139,846	○ 0%
Total Sales	kNOK	2,912,134	5,609,865	● 93%

Average achieved Price	units	January - December		Variance A2022/A2021
		A2021	A2022	
Gas	USD/boe	74.4	211.0	● 183%
Oil	USD/bbl	66.3	102.4	● 54%

The net profit of NOK 789 million was allocated to Retained Earnings and contributes to reduce past accumulated losses.

4. The Company reserves

The company recoverable commercial reserves estimate as at 31.12.2022 were based on all available data including seismic, well logs, core data, drill stem tests and production history by year end of 2022. Proved and probable reserves were the basis for calculations. Industry generally accepted standards were used to quantify and establish 2P reserves. This included decline analysis for mature fields in which reliable trends were established. For undeveloped fields and less mature producing fields profile generation reservoir simulation models or simulations models in combination with decline analysis have been used. Performed simulations were audited by 3rd party.

By submitting two Plans for Development and Operation of NOA& Fulla area and Trell&Trine area the Company significantly increased 2P reserves from 22.3 million of boe at the end of 2021 year to 56 million of boe at the end of 2022 year.



LOTOS Exploration and Production Norge AS - Annual Report 2022

Figure 4: Changes in company held reserves.

Amounts in million barrels of oil equivalent, (BoE):	Sleipner Area	Heimdal Area	Yme	Utgard	Hugin and Fulla Area	Tyrving Area	Total
Proved and probable reserves as of 01.01.2021	11.17	1.02	12.54	1.61	0.00	0.00	26.34
+Production	-2.54	-0.74	-0.09	-0.76			-4.07
+/- Revisions	0.50	0.32	0.04	-0.80			0.06
+/- Acquisitions or sales							0.00
+Improved Oil Recovery (IOR)							0.00
+Discoveries/Developments							0.00
Total proved and probable reserves as of 31.12.2021	9.12	0.61	12.56	0.04	0.00	0.00	22.33

Amounts in million barrels of oil equivalent, (BoE):	Sleipner Area	Heimdal Area	Yme	Utgard	Hugin and Fulla Area	Tyrving Area	Total
Proved and probable reserves as of 01.01.2022	9.12	0.61	12.56	0.04	0.00	0.00	22.33
+Production	-1.94	-0.60	-0.67	-0.44			-3.66
+/- Revisions	0.98	0.24	-2.45	0.33			-0.90
+/- Acquisitions or sales							0.00
+Improved Oil Recovery (IOR)				0.37			0.37
+Discoveries/Developments					35.24	2.63	37.87
Total proved and probable reserves as of 31.12.2022	8.16	0.25	9.43	0.31	35.24	2.63	56.02

5. Risk picture

The Company is exposed to various market and business risks. Volatility in market conditions (petroleum prices) and currency exchange rates may affect future margins and liquidity. In order to address associated financial risks, the company has reached various commercial terms with buyers of hydrocarbon products. The approach contributes by lowering total exposure by differentiation between various commodities pricing points and currencies. In addition, the Company is participating in several offshore development projects, which possesses certain level of inherent risk due to technical complexity, geological risk and uncertainty over future hydrocarbons pricing levels. At the same time, participation interest in producing areas (Heimdal and Sleipner) is characterized by relatively low production costs, high margins and experienced operatorship. As result of the combination of the above, total risk exposure is regarded as acceptable.

6. 2023 and further outlook

2023 outlook of the company performance is evaluated by company management as positive. Highly beneficial macroeconomic environment is expected to last into year 2023, which should allow the company to further strengthen its high liquidity. Current equity level is considered as reasonably acceptable. The management recognizes significant areas of potential better performance and financial optimization, which when implemented, shall enable the company to utilize potential upsides.

Future company financial performance is highly dependent on level of production and commodity pricing. The company expected increase in production level compared to 2022 is estimated to be around 11% due to Yme production coming on stream. The production of Yme New development asset is expected to significantly contribute to future company performance in the following years. The company is focused on risks related to the current and future Yme project stage. It relates mainly to the hot commissioning of the Inspirer platform and new wells performance. Yme New Development will still be the main agenda for the company day to day activities for 2023. In addition, several discoveries were matured to development stage in 2022, which will be providing further strength for company portfolio in long-term:



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- NOAKA area development consists of LOTOS Exploration and Production Norge AS participating share of 12,3% in FGD (PL442), Langfjellet (PL026B), Froy (PL364), Fulla (PL873) and Rind (PL026). PDO submitted to authorities in December 2022.
- LOTOS Exploration and Production Norge AS holds respectively 10% and 16% in Trell (PL102F/G) and Trine (PL036E) developments. The ownership in the licenses was unitized to 11.9% during 2021. PDO submitted to authorities in July 2022.

7. Working environment and equal opportunities

The Board is pleased to report that the Company has built and continues to develop a competent organization based on employees with diverse experience. The average number of full-time positions in 2022 amounted to 33.4. One employee is working on 60% full time, the second on 80%.

Registered absence due to illness in 2022 was at 8.65%. Such a large number of absent is the result of long-term sick of three employees (including one related to pregnancy). There was one accident on the way to work in December 2022, resulting in a knee injury. In 2022 there have not been any occupational accidents during the year.

The Company has assimilated a policy aiming to prevent discrimination due to gender or nationality. As of 31 December 2022, the Company had 26 male and 8 female employees of seven nationalities.

To identify areas of potential improvement as well as to collect feedback from employees on any implemented changes the Working Environment Survey is carried out every two years. Due to the merger process, the survey in 2022 was not executed.

In 2022, the consequences of the COVID-19 pandemic were still felt. The resulting restrictions were gradually relaxed until they were completely withdrawn. In the Company the mode of remote work from home is allowed in justified cases, after agreement with the manager each time.

In February 2021, a survey was conducted on communication in the Company. It is worth to mention that communication during the Covid 19 pandemic was well appreciated by employees.

In June 2021 Working Environment Committee was establish (three of the employee's side: Safety Delegate, Elected Employees Representative and Tekna Representative - and three of the Company side: HSEQ Manager, Legal Manger & HR Business Partner). In 2022, nine meetings were held dedicated to various aspects of the working environment.

Since January 2022 the Company cabin in Haukeli area is available for employees (rented for two years period). The Cabin Committee was appointed to manage the usage the cabin. In 2022, employees and their families spent approximately 139 days in the cabin.

Tekna Union at LOTOS Norge has 11 members. Every two months there is a meeting of the Tekna Management Board with company representatives (three persons appointed by the CEO).

Norway has implemented an Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions called "Transparency Act" that came into force 1 July 2022. Company is obliged to to carry out due diligence and publish annual statement on measures taken in order to ensure compliance with respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and



LOTOS Exploration and Production Norge AS - Annual Report 2022

ensure the general public access to information regarding how Company addresses adverse impacts on fundamental human rights and decent working conditions. Due Diligence report related to the Transparency Act will be published on Company's website by 30 June 2023.

8. External environment

Our aim is to conduct our business in a professional, safe and environmentally friendly manner. LOTOS E&P Norge operates in an industry which implies risk of pollution of the environment. We closely follow the operator's actions to perform see-to-it duties to prevent any actions potentially harmful to the environment. There is no information known to the Board of Directors that would suggest any pollution of external environment caused by the Company.

9. Going concern assumption

The annual accounts and information presented in the Board of Directors' report have been prepared on the basis of going concern assumption, meaning that the entity will continue to have sufficient funds to finance continued operations and fulfil all LOTOS Exploration and Production Norge AS joint ventures obligations in the foreseeable future. Pursuant to Section 3-4 of the Private Limited Companies Act (the "Act") the company, at all times, must have an equity and liquidity, which is sufficiently sound, based on the risk and extent of the activities of the company.

During past 5 years, the Company has restored negative equity to sufficient positive levels (equity ratio over 40%) and future outlook allows for reasonable belief that the entity will continue to deliver positive results. In the year 2022 LOTOS Exploration and Production Norge AS terminated RBL financing agreement, providing full cash cover on both escrow accounts. In accordance with the section 3-3 of the Accountancy Act, the Board of Directors confirm that the Company meets the requirements for continuation as a going concern.

10. Subsequent events

As result of the merge of Polish companies PGNiG into PKN Orlen and the earlier merger of Grupa Lotos with PKN Orlen, which took place in 2nd half of 2022, Norwegian Ministry of Petroleum and Energy issued the decision on October 10, 2022, addressed to PGNiG Upstream Norway, stipulating in particular that all interests in licenses on the Norwegian Continental Shelf which, as a result of the above-mentioned mergers, came under the control of PKN Orlen, shall be consolidated within 6 months i.e. by May 2nd, 2023.

In February 2023 Lotos E&P Norge AS received an offer for acquisition of the entire business of the Company from PGNiG Upstream Norway. Lotos E&P Norge AS will remain as a separate entity, while all the assets and personnel will be acquired by PGNiG within 1st half of 2023 year. The Company will continue as an SPV after transferring all the assets and employees to PGNiG Upstream Norway and satisfying its all creditors and tax liabilities related to oil and gas activities. It may be used for other future activities not related to oil and gas industry in line with PKN Orlen's strategy.



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11. Other matters (if any)

As far as the Board of Directors is aware, there has been no other event of any significance since the closing of the accounts which would be significant for the financial position and profits of the Company.

Stavanger, 21st February 2023

On behalf of LOTOS Exploration and Production Norge AS

Piotr Długosz
Board Member

Bernard Jacek Cichocki
Board Member

Wojciech Andrzej Fedko
Board Member

Olav Fjell
Board Member



Alojzy Zbigniew Nowak
Board Member

Marcin Tomasz Wysocki
Board Member

Jarosław Piotr Dybowski
Board Member

Zbigniew Jerzy Wróbel
Board Member

Rafał Chmiel
Board Member

Piotr Statkiewicz
Chief Executive Officer



LOTOS Exploration and Production Norge AS - Annual Report 2022


11. Other matters (if any)

As far as the Board of Directors is aware, there has been no other event of any significance since the closing of the accounts which would be significant for the financial position and profits of the Company.

Stavanger, 21st February 2023

On behalf of LOTOS Exploration and Production Norge AS

Piotr Dlugosz
Board Member



Bernard Jacek Cichocki
Board Member

Wojciech Andrzej Fedko
Board Member

Olav Fjell
Board Member

Alojzy Zbigniew Nowak
Board Member

Marcin Tomasz Wysocki
Board Member

Jarosław Piotr Dybowski
Board Member

Zbigniew Jerzy Wróbel
Board Member

Rafał Chmiel
Board Member

Piotr Statkiewicz
Chief Executive Officer



LOTOS Exploration and Production Norge AS - Annual Report 2022

11. Other matters (if any)

As far as the Board of Directors is aware, there has been no other event of any significance since the closing of the accounts which would be significant for the financial position and profits of the Company.

Stavanger, 21st February 2023

On behalf of LOTOS Exploration and Production Norge AS

Piotr Długosz
Board Member

Wojciech Andrzej Fedko
Board Member

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LOTOS Exploration and Production Norge AS - Annual Report 2022

11. Other matters (if any)

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Stavanger, 21st February 2023

On behalf of LOTOS Exploration and Production Norge AS

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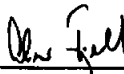
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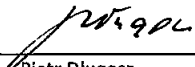
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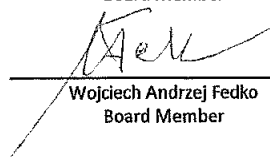
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