Ladies and Gentlemen,

another year of work amid macroeconomic headwinds driven by COVID-19-induced disruptions in the global economy is now over. Despite the volatility in our demanding industry, the LOTOS Group is in a stable financial condition while maintaining balance-sheet discipline.

The financial result in 2021 was attributable to earnings posted in both upstream and downstream. The LOTOS Group again generated a strong operating cash flow and achieved a further reduction in debt.

It is worth noting that last year we launched a complex and demanding project to upgrade the Gdańsk refinery. It entailed a two-month maintenance shutdown. In 2021, our refinery received the world's first UCO filtration unit, and a new railway loading facility was commissioned.

We also continued to work towards our development goals. We launched the Oil Hydrocracker Project, which aims to improve the economics of crude oil processing.

In my summary of the past year, I should also mention our upstream operations. LOTOS Norge was awarded three new exploration and production licences by the Norwegian authorities. In July, cumulative oil production from the B8 field in the Baltic Sea exceeded one million tonnes. At the end of December last year, the first shipment of oil from the Yme field, where production started two months earlier, was unloaded in Rotterdam.

As part of its long-term commitment to corporate social responsibility, the LOTOS Group ran a number of projects to support local communities, cultural events and scientific research projects.

But at the date of issue of this report all eyes are on the dramatic events taking place across Poland's eastern border. The growing uncertainty in global commodity markets has proven only major players with diversified business operations will be able to tackle new challenges, particularly those relating to energy security.

On behalf of the Grupa LOTOS Management Board, I would like to thank our Shareholders for the trust they showed us with their decision that enabled us to take steps necessary to implement the remedies specified by the European Commission in its conditional decision on PKN Orlen taking control of Grupa LOTOS. Based on that decision, we were able to successfully integrate our refinery assets into LOTOS Asfalt, which was the most complex undertaking of its kind in the history of our Group so far.

I would like to extend my thanks to our professional team for their effort and commitment to the projects which contributed to solid financial results and achievement of our goals.

Yours faithfully,

Zofia Paryła
President of the Grupa LOTOS Management Board