



LOTOS Group

FINANCIAL REPORT FOR THE FIRST QUARTER OF 2021



I.	INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31ST 2021, PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ENDORSED BY THE EUROPEAN UNION	3
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**I. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE
THREE MONTHS ENDED MARCH 31ST 2021, PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ENDORSED BY THE
EUROPEAN UNION**

LOTOS GROUP
Interim condensed consolidated financial statements
for the three months ended March 31st 2021
(PLNm)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		3 months ended Mar 31 2021	3 months ended Mar 31 2020
	Note	(unaudited)	(unaudited)
Revenue	8	5,863.3	6,095.8
Cost of sales	9	(4,709.4)	(6,685.2)
Gross profit/(loss)		1,153.9	(589.4)
Selling expenses	9	(323.9)	(340.8)
Administrative expenses	9	(138.4)	(122.5)
Other income	10	10.1	11.3
Other expenses	11	(36.9)	(318.7)
(Impairment losses)/reversal of impairment losses on financial instruments	14	(0.5)	1.2
Operating profit/(loss)		664.3	(1,358.9)
Finance income	12	1.1	6.6
including interest income calculated using the effective interest rate method	12	1.1	6.2
Finance costs	13	(185.9)	(376.8)
Share in net profit/(loss) of equity-accounted joint ventures		(0.5)	(0.8)
Profit/(loss) before tax		479.0	(1,729.9)
Corporate income tax	15.1	(125.7)	418.3
Net profit/(loss)		353.3	(1,311.6)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		48.2	(53.4)
Cash flow hedges		(20.8)	(65.9)
Corporate income tax on cash flow hedges	15.1	3.9	12.5
Other comprehensive income/(loss), net		31.3	(106.8)
Total comprehensive income/(loss)		384.6	(1,418.4)
Net profit/(loss) attributable to:			
Owners of the Parent		353.3	(1,311.6)
Total comprehensive income/(loss) attributable to:			
Owners of the Parent		384.6	(1,418.4)
Net profit/(loss) attributable to owners of the Parent per share (PLN)			
Weighted average number of shares (million)	16	184.9	184.9
- basic	16	1.91	(7.09)
- diluted	16	1.91	(7.09)

The Notes to the interim condensed consolidated financial statements, presented on pages 8 to 25, are an integral part of the statements

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment of the Refining & Marketing segment		9,555.5	9,466.9
Intangible assets of the Refining & Marketing segment		158.7	161.0
Property, plant and equipment of the Exploration & Production segment		3,028.2	2,923.1
Intangible assets of the Exploration & Production segment		340.5	313.8
Equity-accounted joint ventures		23.0	26.1
Deferred tax assets	15.2	400.4	384.2
Derivative financial instruments		7.7	1.2
Shares		309.8	309.8
Loans		196.2	195.9
Other non-current assets		179.2	178.1
Total non-current assets		14,199.2	13,960.1
Current assets			
Inventories		4,351.3	3,495.7
- including emergency stocks		2,451.5	2,135.1
Trade receivables		2,346.0	1,693.9
Current tax assets		201.4	180.9
Derivative financial instruments		78.4	65.9
Other current assets		372.2	314.3
Cash and cash equivalents	20	1,174.2	2,145.6
Total current assets		8,523.5	7,896.3
Total assets		22,722.7	21,856.4
EQUITY AND LIABILITIES			
Equity			
Share capital		184.9	184.9
Share premium		2,228.3	2,228.3
Cash flow hedging reserve		(41.3)	(24.4)
Retained earnings		9,431.3	9,078.0
Translation reserve		155.1	106.9
Equity attributable to owners of the Parent		11,958.3	11,573.7
Non-controlling interests		0.1	0.1
Total equity		11,958.4	11,573.8
Non-current liabilities			
Bank and non-bank borrowings, notes and lease liabilities	21	2,887.4	2,717.7
Derivative financial instruments		0.9	1.0
Deferred tax liabilities	15.2	223.0	144.5
Employee benefit obligations		234.2	230.2
Other liabilities and provisions		1,490.9	1,420.5
Total non-current liabilities		4,836.4	4,513.9
Current liabilities			
Bank and non-bank borrowings, notes and lease liabilities	21	1,838.9	1,355.8
Derivative financial instruments		100.9	18.5
Trade payables		1,124.3	1,636.0
Current tax liabilities		184.2	134.2
Employee benefit obligations		223.2	196.1
Other liabilities and provisions		2,456.4	2,428.1
Total current liabilities		5,927.9	5,768.7
Total liabilities		10,764.3	10,282.6
Total equity and liabilities		22,722.7	21,856.4

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(PLNm)

CONSOLIDATED STATEMENT OF CASH FLOWS

(prepared using the indirect method)

		3 months ended Mar 31 2021	3 months ended Mar 31 2020
	Note	(unaudited)	(unaudited)
Cash flows from operating activities			
Net profit/(loss)		353.3	(1,311.6)
Adjustments:		(1,361.0)	1,791.3
Income tax	15.1	125.7	(418.3)
Share in net profit/(loss) of equity-accounted joint ventures		0.5	0.8
Depreciation and amortisation	8; 9	263.4	275.4
Foreign exchange (gains)/losses		98.4	236.1
Interest and dividends		36.0	44.0
(Gains)/losses from investing activities		-	1.9
Impairment losses on property, plant and equipment and other intangible assets		0.5	304.5
Settlement and measurement of financial instruments	13	36.2	216.2
(Increase)/Decrease in trade receivables		(652.1)	325.3
(Increase)/decrease in other assets		(59.8)	20.7
(Increase)/Decrease in inventories		(855.8)	1,754.7
(Decrease) in trade payables		(511.7)	(874.3)
Increase/(Decrease) in other liabilities and provisions		126.6	(95.8)
Increase in employee benefit obligations		31.1	0.1
Income tax paid		(22.8)	(139.3)
Net cash from operating activities		(1,030.5)	340.4
Cash flows from investing activities			
Dividends received		2.2	-
Interest received		-	0.1
Sale of property, plant and equipment and other intangible assets		8.3	0.1
Purchase of property, plant and equipment and other intangible assets		(297.6)	(303.2)
Security deposit (margin)		(0.3)	(44.2)
Funds for future costs of decommissioning of oil and gas extraction facilities		-	(16.0)
Settlement of derivative financial instruments		33.5	1.1
Net cash from investing activities		(253.9)	(362.1)
Cash flows from financing activities			
Proceeds from bank borrowings	21	556.3	70.3
Grants received		5.0	-
Repayment of bank and non-bank borrowings	21	(165.2)	(164.5)
Interest paid	21	(38.5)	(82.4)
Payment of lease liabilities	21	(59.1)	(58.4)
Settlement of derivative financial instruments		(6.5)	(19.6)
Net cash from financing activities		292.0	(254.6)
Total net cash flow		(992.4)	(276.3)
Effect of exchange rate fluctuations on cash held		5.7	47.2
Change in net cash		(986.7)	(229.1)
Cash at beginning of period		1,923.4	1,516.6
Cash at end of period	20	936.7	1,287.5

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Share capital	Share premium	Cash flow hedging reserve	Retained earnings	Translation reserve	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	Note								
Jan 1 2021 (audited)		184.9	2,228.3	(24.4)	9,078.0	106.9	11,573.7	0.1	11,573.8
Net profit	16	-	-	-	353.3	-	353.3	-	353.3
Other comprehensive income/(loss), net		-	-	(16.9)	-	48.2	31.3	-	31.3
Total comprehensive income/(loss)		-	-	(16.9)	353.3	48.2	384.6	-	384.6
Mar 31 2021 (unaudited)		184.9	2,228.3	(41.3)	9,431.3	155.1	11,958.3	0.1	11,958.4
Jan 1 2020 (audited)		184.9	2,228.3	(203.6)	10,415.5	90.2	12,715.3	0.1	12,715.4
Net loss	16	-	-	-	(1,311.6)	-	(1,311.6)	-	(1,311.6)
Other comprehensive income/(loss), net		-	-	(53.4)	-	(53.4)	(106.8)	-	(106.8)
Total comprehensive income/(loss)		-	-	(53.4)	(1,311.6)	(53.4)	(1,418.4)	-	(1,418.4)
Mar 31 2020 (unaudited)		184.9	2,228.3	(257.0)	9,103.9	36.8	11,296.9	0.1	11,297.0

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LOTOS GROUP
Interim condensed consolidated financial statements
for the three months ended March 31st 2021
Notes to the financial statements

(PLNm)

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Grupa LOTOS Spółka Akcyjna ("Grupa LOTOS S.A.", the "Company", the "Parent"), was established on September 18th 1991. The Company's registered address is: ul. Elbląska 135, 80-718 Gdańsk, Poland. The Company is registered in Poland.

The principal business activity of Grupa LOTOS S.A.'s Group (the "LOTOS Group" or the "Group") consists in the production and processing of refined petroleum products and their wholesale and retail sale. The Group's business also includes acquisition of crude oil and natural gas deposits and oil and gas production. The Group operates mainly in Poland, Norway and Lithuania. Based on the classification applied by the Warsaw Stock Exchange, Grupa LOTOS S.A. is included in the fuel sector.

2. Composition of the Group

The LOTOS Group comprises: Grupa LOTOS S.A. (the Parent), a number of production, service and trading companies which are direct or indirect subsidiaries of Grupa LOTOS S.A., and the foundation.

In addition, the Group holds interests in equity-accounted joint ventures.

Information on the registered addresses and business activities of the aforementioned entities, as well as on the Group's ownership interests in those entities, is presented below.

Name	Registered office	Principal business	Group's ownership interest		
			Mar 31 2021	Dec 31 2020	Mar 31 2020
Parent					
Refining & Marketing					
• Grupa LOTOS S.A.	Gdańsk	Production and processing of refined petroleum products (mainly fuels) and their wholesale	Not applicable	Not applicable	Not applicable
Direct fully-consolidated subsidiaries					
Exploration & Production					
• LOTOS Upstream Sp. z o.o. (parent of another group: LOTOS Upstream Group)	Gdańsk	Activities of head offices and holdings	100.00%	100.00%	100.00%
• LOTOS Petrobaltic S.A. (parent of another group: LOTOS Petrobaltic Group)	Gdańsk	Acquisition of crude oil and natural gas deposits, extraction of hydrocarbons	99.99%	99.99%	99.99%
Refining & Marketing					
• LOTOS Paliwa Sp. z o.o.	Gdańsk	Wholesale and retail sale of fuels and light fuel oil, management of the LOTOS service station network	100.00%	100.00%	100.00%
• LOTOS Oil Sp. z o.o.	Gdańsk	Manufacturing and sale of lubricating oils and lubricants, and sale of base oils	100.00%	100.00%	100.00%
• LOTOS Asfalt Sp. z o.o.	Gdańsk	Production and sale of bitumens	100.00%	100.00%	100.00%
• LOTOS Kolej Sp. z o.o.	Gdańsk	Railway transport	100.00%	100.00%	100.00%
• LOTOS Serwis Sp. z o.o.	Gdańsk	Maintenance of mechanical and electric operations and controlling devices, overhaul and repair services	100.00%	100.00%	100.00%
• LOTOS Lab Sp. z o.o. (parent of another group: LOTOS Lab Group)	Gdańsk	Laboratory testing	100.00%	100.00%	100.00%
• LOTOS Straż Sp. z o.o.	Gdańsk	Fire service activities	100.00%	100.00%	100.00%
• LOTOS Ochrona Sp. z o.o.	Gdańsk	Security services	100.00%	100.00%	100.00%
• LOTOS Terminale S.A. (parent of another group: LOTOS Terminale Group)	Czechowice-Dziedzice	Storage and distribution of fuels	100.00%	100.00%	100.00%
• LOTOS Infrastruktura S.A. (parent of another group: LOTOS Infrastruktura Group)	Jasło	Storage and distribution of fuels, renting and operating of own or leased real estate	100.00%	100.00%	100.00%
• LOTOS Gaz S.A. w likwidacji (in liquidation)	Kraków	Dormant	100.00%	100.00%	100.00%
Non-consolidated direct subsidiaries ⁽¹⁾					
• Infrastruktura Kolejowa Sp. z o.o. w likwidacji	Gdańsk	Dormant	-	-	100.00%
• LOTOS Foundation	Gdańsk	Public benefit activities within the scope of public tasks defined in the Act on Public Benefit and Volunteer Work. The Foundation does not conduct any business activity.	100.00%	100.00%	100.00%

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Name	Registered office	Principal business	Group's ownership interest		
			Mar 31 2021	Dec 31 2020	Mar 31 2020
Indirect fully-consolidated subsidiaries					
Refining & Marketing					
LOTOS Lab Group					
• LOTOS Vera Sp. z o.o. w likwidacji (in liquidation)	Warsaw	Manufacture of cars	100.00%	100.00%	100.00%
LOTOS Infrastruktura Group					
• RCEkoenergia Sp. z o.o.	Czechowice-Dziedzice	Production and distribution of electricity, heat and gas	100.00%	100.00%	100.00%
LOTOS Terminale Group					
• LOTOS Biopaliwa Sp. z o.o.	Czechowice-Dziedzice	Production of fatty acid methyl esters (FAME)	100.00%	100.00%	100.00%
Exploration & Production					
LOTOS Upstream Group					
• LOTOS Exploration and Production Norge AS	Norway, Stavanger	Crude oil exploration and production on the Norwegian Continental Shelf, provision of services incidental to oil and gas exploration and production	100.00%	100.00%	100.00%
• AB LOTOS Geonafta (parent of another group: AB LOTOS Geonafta Group)	Lithuania, Gargždai	Crude oil exploration and production, drilling services, and purchase and sale of crude oil	100.00%	100.00%	100.00%
• UAB Genciu Nafta	Lithuania, Gargždai	Crude oil exploration and production	100.00%	100.00%	100.00%
• UAB Manifoldsas	Lithuania, Gargždai	Crude oil exploration and production	100.00%	100.00%	100.00%
• LOTOS Upstream UK Ltd. w likwidacji (in liquidation)	London, United Kingdom	Crude oil and gas exploration and production	100.00%	100.00%	100.00%
LOTOS Petrobaltic Group					
• B8 Sp. z o.o.	Gdańsk	Support activities for extraction and quarrying operations	99.99%	99.99%	99.99%
• B8 Spółka z ograniczoną odpowiedzialnością BALTIC S.K.A.	Gdańsk	Crude oil and gas exploration and production	99.99%	99.99%	99.99%
• Miliana Shipholding Company Ltd. (parent of another group: Miliana Shipholding Company Group)	Nicosia, Cyprus	Storage and transport of crude oil, other sea transport services	99.99%	99.99%	99.99%
• Technical Ship Management Sp. z o.o. (parent of another group: Technical Ship Management Group)	Gdańsk	Sea transport support activities, ship operation advisory services	99.99%	99.99%	99.99%
• SPV Baltic Sp. z o.o.	Gdańsk	Provision of sea transport and related services	99.99%	99.99%	99.99%
• SPV Petro Sp. z o.o.	Gdańsk	Support activities for oil and gas production, sea transport	99.99%	99.99%	99.99%
• Miliana Shipmanagement Ltd.	Nicosia, Cyprus	Provision of sea transport and related services	99.99%	99.99%	99.99%
• Bazalt Navigation Company Ltd.	Nicosia, Cyprus	Ship chartering	99.99%	99.99%	99.99%
• Granit Navigation Company Ltd.	Nicosia, Cyprus	Ship chartering	99.99%	99.99%	99.99%
• Kambr Navigation Company Ltd.	Nicosia, Cyprus	Ship chartering	99.99%	99.99%	99.99%
• St. Barbara Navigation Company Ltd.	Nicosia, Cyprus	Ship chartering	99.99%	99.99%	99.99%
• Petro Icarus Company Ltd.	Nicosia, Cyprus	Ship chartering	99.99%	99.99%	99.99%
• Petro Aphrodite Company Ltd.	Nicosia, Cyprus	Ship chartering	99.99%	99.99%	99.99%
• Energobaltic Sp. z o.o.	Władysławowo	Production of electricity, heat, LPG and natural gas condensate	99.99%	99.99%	99.99%

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			Mar 31 2021	Dec 31 2020	Mar 31 2020
Equity-accounted joint ventures					
Refining & Marketing					
LOTOS-Air BP Polska Sp. z o.o. ⁽²⁾	Gdańsk	Sale of aviation fuel and logistics services	50.00%	50.00%	50.00%
Exploration & Production					
Baltic Gas Sp. z o.o. ⁽³⁾	Gdańsk	Crude oil and gas production (support activities for crude oil and gas production)	50.00%	50.00%	50.00%
Baltic Gas spółka z ograniczoną odpowiedzialnością i wspólnicy sp.k. ⁽³⁾	Gdańsk	Crude oil and gas production	45.99%	45.99%	45.71%
UAB Minijos Nafta ⁽⁴⁾	Lithuania, Gargždai	Crude oil exploration and production	50.00%	50.00%	50.00%

⁽¹⁾ The companies were deconsolidated due to immateriality of the amounts disclosed in their financial statements as at March 31st 2021 from the point of view of the Group meeting the requirements specified in IFRS 10 Consolidated Financial Statements.

⁽²⁾ Joint venture agreement between Grupa LOTOS S.A. and BP Europe SE on joint operations related to supply of aviation fuel through LOTOS-Air BP Polska Sp. z o.o.

⁽³⁾ Agreement on cooperation between LOTOS Upstream Sp. z o.o. and CalEnergy Resources Poland Sp. z o.o. with respect to development and production of gas and condensate reserves from the B-4 and B-6 fields in the Baltic Sea, performed through special purpose vehicles Baltic Gas spółka z ograniczoną odpowiedzialnością i wspólnicy sp.k. and Baltic Gas Sp. z o.o. (general partner).

Within the meaning of IFRS 11, Baltic Gas Sp. z o.o. i wspólnicy sp.k. and Baltic Gas Sp. z o.o. are the Group's equity-accounted joint ventures.

⁽⁴⁾ Joint venture set up for the purpose of oil exploration and production in Lithuania, operated in the form of UAB Minijos Nafta.

2.1 Planned merger with Polski Koncern Naftowy Orlen S.A.

On July 14th 2020, the European Commission issued a conditional approval for the concentration involving acquisition of control of Grupa LOTOS S.A. by Polski Koncern Naftowy ORLEN S.A. ("PKN Orlen"). The Commission's decision was issued pursuant to the second paragraph of Article 8(2) of Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (OJ L No 24, p. 1). Therefore, PKN Orlen is required to implement remedies set out in the decision to prevent adverse effects of the proposed concentration on competition in the relevant markets (the "Remedies"). The Remedies include structural and behavioural commitments relating to the structure and policies of the undertakings involved in the concentration: PKN Orlen and Grupa LOTOS.

In Current Report No. 21/2020 of July 14th 2020, Grupa LOTOS reported on the obligations undertaken towards the European Commission. The following commitments are intended to continue in effect until the divestment of assets to be disposed of in the implementation of the Remedies ("LOTOS Divestment Assets") has been completed:

- Undertaking to preserve the value and competitiveness of the Lotos Divestment Assets in accordance with good market practice and to minimise as far as possible any risk of loss of competitive potential by the Lotos Divestment Assets;
- Undertaking to keep the LOTOS Divestment Assets separate from the business(es) that PKN Orlen and Grupa LOTOS S.A. are retaining (hold separate obligations), which involves in particular ensuring that the management and staff involved in any business retained by Grupa LOTOS S.A. have no involvement in the business of the LOTOS Divestment Assets, and that the staff (including key personnel) of the LOTOS Divestment Assets identified in the undertakings have no involvement in any business retained by Grupa LOTOS S.A. and do not report to any individuals outside the Lotos Divestment Assets. Immediately after the adoption of the Commission's decision, Grupa LOTOS S.A. will appoint an individual or individuals as an independent hold separate manager (the "Hold Separate Manager"). The Hold Separate Manager will be a member of key personnel of the LOTOS Divestment Assets. The Hold Separate Manager will manage the LOTOS Divestment Assets independently and will report to an individual appointed by PKN ORLEN to monitor the implementation of the Remedies (the Monitoring Trustee). The above undertaking will not apply to the Gdańsk refinery;
- Undertaking not to employ any key personnel of the LOTOS Divestment Assets within 12 months after the closing of divestment transactions giving effect to the Remedies;
- Undertaking to cooperate with and assist the Monitoring Trustee to a reasonable extent, as required by the Monitoring Trustee.

In the European Commission's decision, the following business areas of Grupa LOTOS S.A. ("Lotos Divestment Assets") were identified:

- Fuel production and wholesale,
- Fuel logistics,
- Retail activities,
- Aviation fuel,
- Bitumens.

In Current Report No. 20/2021 issued on March 12th 2021, the Company announced that the Management Board gave a general approval for internal organisational measures aimed at optimising the Group's structure and preparing it for implementation of the model whereby the remedies necessary to go ahead with the intended acquisition of control over the Company by PKN Orlen are to be carried out.

The Management Board has analysed the requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* taking into account the progress of the implementation of particular Remedies provided for in the decision. As at March 31st 2021, the Lotos Divestment Assets were not ready for sale. The process of preparing the individual Lotos Divestment Assets for sale involves a number of important, non-customary, activities in 2021 such as full separation and identification of the assets intended for divestment, obtaining relevant external approvals from the relevant regulatory authorities, and obtaining internal corporate approvals including those of the General Meeting of the Parent. The Management Board of Grupa LOTOS S.A. commenced active search for investors the first quarter of 2021. Both as at March 31st 2021 and as at the date of authorisation of these financial statements for issue, the outcome of the negotiations with investors cannot be reliably determined and therefore it may be necessary to make significant changes to the divestment plan in 2021.

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In the opinion of the Management Board of the Parent, as at the date of these consolidated financial statements the conditions for reclassification of Lotos Divestment Assets (and related liabilities) as assets (liabilities) held for sale or the related operations as discontinued operations were not met.

3. Changes in the entity's structure in the interim period, including changes which follow from mergers, acquisitions or sale of subsidiaries, long-term investments, restructuring or discontinuation of business

Since the end of the previous financial year, i.e. December 31st 2020 (see Note 2 to the consolidated financial statements for 2020), there have been no material changes in the structure of the Group.

4. Basis of preparation and presentation

These interim condensed consolidated financial statements of the LOTOS Group (the "interim consolidated financial statements", "interim financial statements", "consolidated financial statements", "financial statements") have been prepared in accordance with the EU-endorsed International Accounting Standard IAS 34 Interim Financial Reporting.

These interim condensed consolidated financial statements present the financial position of the Group as at March 31st 2021 and December 31st 2020, results of the Group's operations for the three months ended March 31st 2021 and March 31st 2020, and cash flows for the three months ended March 31st 2021 and March 31st 2020.

The interim financial statements should be read in conjunction with the audited [consolidated financial statements of the LOTOS Group for 2020](#), issued on April 6th 2021 (the "consolidated financial statements for 2020").

These interim condensed consolidated financial statements have been prepared on the assumption that the Group companies will continue as going concerns for the foreseeable future. As at the date of authorisation of these financial statements for issue, no circumstances were identified which would indicate any threat to the Group companies' continuing as going concerns.

The Parent's functional currency and the reporting currency of these interim consolidated financial statements is the Polish zloty, and all amounts presented herein, unless indicated otherwise, are stated in millions of zloty.

4.1 Accounting policies

The accounting policies and calculation methods applied in the preparation of these interim condensed consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for 2020 (see Note 7 to the consolidated financial statements for 2020), without restatement of comparative data or correction of errors.

4.2 New standards and interpretations which have been published but are not yet effective

New standards, amendments to the existing standards and interpretations which were published after December 31st 2020 and which have not been endorsed by the European Union:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for annual periods beginning on or after January 1st 2023),
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of accounting estimates (effective for annual periods beginning on or after January 1st 2023),
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond June 30th 2021 (effective for annual periods beginning on or after April 1st 2021).

The Group has not elected to early adopt any of the standards, interpretations or amendments which have not taken effect. The Company's Management Board is analysing the effect of the new standards, interpretations and amendments on the accounting policies applied by the Group and on the Group's future financial statements.

4.3 Exchange rates

The following exchange rates, determined on the basis of the exchange rates quoted by the National Bank of Poland (the "NBP"), have been used for the purpose of valuation of items of the statement of financial position and translation of the financial statements of foreign entities and corporate groups into the Polish zloty:

NBP's mid rate quoted for:	Mar 31 2021 ⁽¹⁾	Dec 31 2020 ⁽²⁾
USD	3.9676	3.7584
EUR	4.6603	4.6148
GBP	5.4679	5.1327
NOK	0.4657	0.4400

⁽¹⁾ NBP's mid rates table effective for March 31st 2021.

⁽²⁾ NBP's mid rates table effective for December 31st 2020.

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NBP's average mid rate for the reporting period	3 months ended Mar 31 2021 ⁽¹⁾	3 months ended Mar 31 2020 ⁽²⁾
USD	3.8128	3.9907
EUR	4.5721	4.3963
GBP	5.2605	5.0956
NOK	0.4466	0.4114

⁽¹⁾ Based on the arithmetic mean of the mid rates quoted by the NBP for the last day of each full month in the period January 1st–March 31st 2021.

⁽²⁾ Based on the arithmetic mean of the mid rates quoted by the NBP for the last day of each full month in the period January 1st–March 31st 2020.

5. Seasonality and cyclicity of business in the reporting period

There was no seasonality or cyclicity in the Group's business in the reporting period.

6. Material changes to reporting items, including amounts which significantly affect assets, liabilities, equity, net profit/(loss) or cash flows and which are non-typical due to their nature, value, effect or frequency

All material changes to reporting items after the end of the last annual reporting period, i.e. 2020, are presented in the key sections of the financial statements and supplemented with additional information contained in the relevant notes to the financial statements.

For a discussion of changes to material reporting items and factors with a bearing on the Group's financial performance in the reporting period, as well as a short summary of results achieved by each business segment, see the Management's Discussion and Analysis of consolidated results for the first quarter of 2021.

During the three months ended March 31st 2021, the Group's results continued to be impacted by the COVID-19 pandemic.

Since March 2020, the market environment of the Group companies has been extremely volatile and unpredictable. The Group has been operating in an environment prone to rapid changes triggered by the pandemic and by measures taken to contain its impact, both in Poland and globally.

The balance and liquidity in international trade, including trade in goods and services, has been disturbed and passenger traffic has fallen markedly. Restrictions were imposed on both air and road transport. Many countries banned non-essential travel, restricted the use of services, retail outlets, institutions of culture and schools. Borders were closed or cross-border movement was restricted for tourists and migrant workers. On March 14th 2020, the state of epidemic emergency was introduced in Poland, resulting in the imposition of the abovementioned restrictions, which continued to apply in the first quarter of 2021.

Assessment of indications of impairment of non-current assets

As at March 31st 2021, the Group assessed whether there was any indication of impairment of non-financial non-current assets. When analysing indications of asset impairment, both the macroeconomic environment, influencing assets' potential to generate value, and internal factors affecting the ability to use this potential in practice, should be taken into account. An event of relevance to the assessment of external indicators in the reporting period was the COVID-19 pandemic whose impact on the macro environment was particularly severe in the period from the 2nd to 4th quarter of 2020. The analysis showed no grounds for disclosing further impairment indications in addition to those identified during tests performed as at December 31st 2020.

Inventory measurement

The volatility of oil and gas prices associated with market disruptions caused by the COVID-19 pandemic is having an impact both on demand for and the cost to purchase, manufacture and sell the Group's products. The Group estimated net realisable value of inventory as at March 31st 2021, with no need to write down inventories identified as at that date.

Assessment of expected credit loss (ECL)

Large-scale operational disruptions that could potentially entail liquidity constraints for certain entities may also have an adverse impact on the credit quality of various actors along the supply chain. As at March 31st 2021, the Group performed an analysis to assess potential impact of the COVID-19 pandemic on its calculation of expected credit losses and related impairment losses. The Group's credit policy, security instruments used and factoring agreements in place allow it to assume that the loss ratio for receivables recognised as at the reporting date will remain largely unchanged.

The Group monitors market developments and any information on its customers that could suggest a deterioration of their financial standing. Based on relevant analyses, the Group has not changed the assumptions used to evaluate its expected credit loss as at March 31st 2021 from those used at December 31st 2020. The Group will update the analysis and assumptions for the purposes of the financial statements for 2021 when further analyses show that such update is necessary.

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Liquidity

As at the date of these condensed consolidated financial statements, the Group remains liquid and has financing available for its operating and investing activities.

In the first quarter of 2021, despite unfavourable conditions caused by the COVID-19 pandemic, the Group optimally managed its own financial resources and the financial resources of other Group entities. Its key financial and liquidity ratios, including current ratio (1.44 vs 1.37 at the end of the first quarter of 2020), quick ratio (0.7 vs 0.76 in the first quarter of 2020), as well as total debt ratio (47.37% in the first quarter of 2021, compared with 47.05% in the first quarter of 2020) remained at safe levels, as a result of which liabilities were being serviced when due. As a consequence of a PLN 468.0m increase in working capital, working capital to total assets was 11.42%, compared with 9.73% in the first quarter of 2020. The turnover ratios also changed. The inventory turnover ratio lengthened by 0.8 days year on year, to 60.2 days. Following a 17.4% decrease in average trade receivables with revenue down 3.8%, the average collection period shortened to 31.0 days (relative to 36.5 days the year before). As a result of lower average trade payables (down 8.2%) and lower cost of sales (down 29.6%), the average payment period was 26.4 days, having lengthened 5.9 days year on year. These changes led to the cash conversion cycle of 64.9 days, compared with 75.4 days recorded in the same period last year.

The Group has in place a centralised cash management system (cash pool) covering the majority of Group companies. The cash pool makes it possible to effectively use any surplus funds, while reducing the system participants' demand for day-to-day funding. In addition, as at March 31st 2021 the Group had undrawn overdraft facility, credit facility and factoring limits.

Currently, the Group's economic performance, liquidity position and debt remain at comfortable levels, with no significant risks identified as at the date of issue of these consolidated financial statements that could adversely affect this situation.

7. Changes to estimates reported in previous interim periods of the current financial year or in previous financial years, where they have a material effect on the current interim period

The Group recorded no material changes of estimated amounts reported in prior periods, where such changes would have a material effect on the current interim reporting period.

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8. Business segments

	Exploration & Production segment		Refining & Marketing segment		Consolidation adjustments		Consolidated	
	3 months ended Mar 31							
	2021	2020	2021	2020	2021	2020	2021	2020
	(unaudited)							
Revenue:	312.6	329.3	5,685.1	5,882.9	(134.4)	(116.4)	5,863.3	6,095.8
Intersegment sales	122.3	98.9	12.1	17.5	(134.4)	(116.4)	-	-
External sales	190.3	230.4	5,673.0	5,865.4	-	-	5,863.3	6,095.8
Operating profit/(loss) (EBIT)	107.1	(197.9)	554.8	(1,156.8)	2.4	(4.2)	664.3	(1,358.9)
Depreciation and amortisation	60.8	86.1	202.6	189.3	-	-	263.4	275.4
Operating profit/(loss) before depreciation and amortisation (EBITDA)	167.9	(111.8)	757.4	(967.5)	2.4	(4.2)	927.7	(1,083.5)
	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020
	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
Total assets	4,531.6	4,307.7	20,640.3	20,013.2	(2,449.2)	(2,464.5)	22,722.7	21,856.4

8.1 Revenue

Type of goods or services	Exploration & Production segment		Refining & Marketing segment		Consolidated	
	3 months ended Mar 31					
	2021	2020	2021	2020	2021	2020
	(unaudited)					
Revenue from contracts with customers:	190.3	230.4	5,705.1	5,928.5	5,895.4	6,158.9
Products and services	190.2	230.2	5,421.5	5,625.2	5,611.7	5,855.4
Merchandise and materials	0.1	0.2	283.6	303.3	283.7	303.5
Effect of cash flow hedge accounting	-	-	(32.1)	(63.1)	(32.1)	(63.1)
Total revenue	190.3	230.4	5,673.0	5,865.4	5,863.3	6,095.8

Sales by type of products, merchandise and services	Exploration & Production segment		Refining & Marketing segment		Consolidated	
	3 months ended Mar 31					
	2021	2020	2021	2020	2021	2020
	(unaudited)					
Gasolines	-	-	735.6	902.2	735.6	902.2
Naphtha	-	-	268.3	209.6	268.3	209.6
Diesel oils	-	-	3,368.5	3,365.4	3,368.5	3,365.4
Bunker fuel	-	-	45.2	53.9	45.2	53.9
Light fuel oil	-	-	221.4	168.0	221.4	168.0
Heavy fuel oil	-	-	145.4	165.8	145.4	165.8
Aviation fuel	-	-	139.4	330.2	139.4	330.2
Lubricants	-	-	127.0	78.9	127.0	78.9
Base oils	-	-	110.8	114.4	110.8	114.4
Bitumens	-	-	60.9	62.2	60.9	62.2
LPG	-	-	142.2	123.6	142.2	123.6
Crude oil	62.4	136.1	-	-	62.4	136.1
Natural gas	114.1	78.0	0.6	0.2	114.7	78.2
Xylene fraction	-	-	30.7	59.9	30.7	59.9
Other refining products, merchandise and materials	-	0.2	91.6	87.6	91.6	87.8
Other products, merchandise and materials	1.9	1.9	130.4	122.5	132.3	124.4
Services	11.9	14.2	87.1	84.1	99.0	98.3
Effect of cash flow hedge accounting	-	-	(32.1)	(63.1)	(32.1)	(63.1)
Total	190.3	230.4	5,673.0	5,865.4	5,863.3	6,095.8

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Sales by geographical markets	Exploration & Production segment		Refining & Marketing segment		Consolidated	
	3 months ended Mar 31					
	2021	2020	2021	2020	2021	2020
	(unaudited)					
Poland	2.1	3.0	4,965.5	4,874.1	4,967.6	4,877.1
Belgium	13.8	-	61.8	104.4	75.6	104.4
Czech Republic	-	-	6.1	50.0	6.1	50.0
Denmark	-	-	0.5	69.3	0.5	69.3
France	1.7	-	78.2	48.8	79.9	48.8
Netherlands	7.8	-	265.4	285.8	273.2	285.8
Germany	115.6	8.0	92.7	108.1	208.3	116.1
Norway	11.9	194.7	-	19.5	11.9	214.2
Sweden	-	-	18.0	173.3	18.0	173.3
United Kingdom	6.2	24.6	2.0	62.0	8.2	86.6
Other countries	31.2	0.1	214.9	133.2	246.1	133.3
Effect of cash flow hedge accounting	-	-	(32.1)	(63.1)	(32.1)	(63.1)
Total	190.3	230.4	5,673.0	5,865.4	5,863.3	6,095.8

9. Costs by nature of expense

	Note	3 months ended Mar 31 2021	3 months ended Mar 31 2020
		(unaudited)	(unaudited)
Depreciation and amortisation	8	263.4	275.4
Raw materials and consumables used ⁽¹⁾		4,167.6	4,822.4
Services		339.4	331.6
Taxes and charges		146.2	152.5
Employee benefits expense		247.1	234.3
Other costs by nature of expense		74.5	60.7
Merchandise and materials sold		231.5	288.0
Total costs by nature of expense		5,469.7	6,164.9
Change in products and adjustments to cost of sales		(298.0)	983.6
Total		5,171.7	7,148.5
including:			
Cost of sales		4,709.4	6,685.2
Selling expenses		323.9	340.8
Administrative expenses		138.4	122.5

⁽¹⁾ Including PLN 23.5m of foreign exchange losses from operating activities, recognised in cost of sales (three months ended March 31st 2020: PLN 47.3m of foreign exchange losses).

10. Other income

	Note	3 months ended Mar 31 2021	3 months ended Mar 31 2020
		(unaudited)	(unaudited)
Gain on disposal of non-financial non-current assets		-	0.4
Grants		0.5	0.4
Provisions:		-	4.6
- remeasurement of provision for contingent payments – Slepner assets acquisition agreement	22	-	4.5
- other provisions		-	0.1
Compensation		1.5	1.5
Lease modifications		1.5	2.2
Early termination of lease contracts		3.5	-
Other		3.1	2.2
Total		10.1	11.3

The Group offsets similar transaction items in accordance with IAS 1 Presentation of Financial Statements, paragraphs 34 and 35. Material items of income and expenses charged to profit or loss are disclosed separately, as presented in the table above.

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11. Other expenses

		3 months ended Mar 31 2021	3 months ended Mar 31 2020
	Note	(unaudited)	(unaudited)
Impairment losses on property, plant and equipment and intangible assets		0.5	304.5
Impairment losses:		0.6	304.6
• on oil and gas development assets: - Norway: YME field	18	-	223.6
• on oil and gas production assets:		0.6	72.4
- Norway: Utgard field	18	-	53.4
- Lithuania: Nausodis, Genciai, Vėžaičiai and Girkaliai	18	0.6	19.0
• on refinery and other non-current assets: service stations	18	-	8.6
Reversal of impairment losses:		(0.1)	(0.1)
• on refinery and other non-current assets		(0.1)	(0.1)
Loss on disposal of non-financial non-current assets		0.5	-
Provisions		6.7	-
Damage to property arising in ordinary course of business		0.1	0.4
Membership fees		1.9	1.6
Charitable donations		0.6	11.0
Funds for construction of temporary hospital for COVID-19 patients	25.2	25.1	-
Other		1.5	1.2
Total		36.9	318.7

12. Finance income

	3 months ended Mar 31 2021	3 months ended Mar 31 2020
	(unaudited)	(unaudited)
Interest:	1.1	6.6
• interest calculated using the effective interest method:	1.1	6.2
- on trade receivables	0.5	0.9
- on cash	-	1.0
- on deposits	0.1	4.2
- other	0.5	0.1
• other interest	-	0.4
Total	1.1	6.6

The Group offsets similar transaction items in accordance with IAS 1 Presentation of Financial Statements, paragraphs 34 and 35. Material items of income and expenses charged to profit or loss are disclosed separately, as presented in the table above.

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13. Finance costs

		3 months ended Mar 31 2021 (unaudited)	3 months ended Mar 31 2020 (unaudited)
	Note		
Interest:		44.3	54.5
• interest calculated using the effective interest method:		36.6	44.2
- on bank borrowings		15.8	23.2
- on non-bank borrowings		0.3	0.5
- on notes		1.9	0.7
- on leases		18.4	19.6
- other		0.2	0.2
• other interest		7.7	10.3
- discount on provisions for oil and natural gas extraction facilities and for site restoration, and other provisions	22	6.7	9.2
- cost of discount on employee benefit obligations		0.8	1.0
- other		0.2	0.1
Exchange differences:		98.5	104.0
- on bank borrowings		102.5	111.3
- on translation of intercompany loans ⁽¹⁾		(0.1)	-
- on realised foreign-currency transactions in bank accounts		(0.6)	(0.8)
- on notes		12.9	21.6
- on cash		(16.0)	(45.6)
- on leases		0.2	10.1
- on investment commitments		0.8	9.7
- on trade receivables and trade payables		(1.3)	(2.3)
- other		0.1	-
Revaluation of derivative financial instruments:		36.2	216.2
- measurement		63.2	197.7
- settlement		(27.0)	18.5
Bank fees		5.8	1.1
Tax risk provision		1.0	1.0
Other		0.1	-
Total		185.9	376.8

⁽¹⁾ According to IAS 21 The Effects of Changes in Foreign Exchange Rates, foreign exchange gains and losses on intercompany foreign currency transactions are recognised in the Group's net profit or loss.

The Group offsets similar transaction items in accordance with IAS 1 Presentation of Financial Statements, paragraphs 34 and 35. Material items of income and expenses charged to profit or loss are disclosed separately, as presented in the table above.

14. (Impairment losses)/reversal of impairment losses on financial instruments

	3 months ended Mar 31 2021 (unaudited)	3 months ended Mar 31 2020 (unaudited)
(Impairment losses)/reversal of impairment losses on receivables	(0.5)	1.2
- impairment losses	(1.3)	(2.3)
- reversal of impairment losses	0.8	3.5
Total	(0.5)	1.2

15. Income tax

15.1 Tax expense

	3 months ended Mar 31 2021 (unaudited)	3 months ended Mar 31 2020 (unaudited)
Current tax	45.1	86.1
Deferred tax	80.6	(504.4)
Total income tax charged to net profit or loss	125.7	(418.3)
Tax expense recognised in other comprehensive income/(loss), net, relating to cash flow hedges	(3.9)	(12.5)

For the entities operating in Poland, the current and deferred portion of income tax was calculated at the rate of 19%.

In the case of Norwegian subsidiary LOTOS Exploration and Production Norge AS, the marginal tax rate is 78% of the tax base. Income earned by this subsidiary is subject to taxation under two parallel tax systems: the corporate income tax system (22% tax rate) and the petroleum tax system (additional tax rate of 56%).

In the case of Lithuanian subsidiaries (AB LOTOS Geonafra Group), the current and deferred portion of income tax was calculated at the rate of 15%.

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15.2 Deferred income tax

	Statement of financial position		Change
	Mar 31 2021	Dec 31 2020	
	(unaudited)	(audited)	
Deferred tax assets	400.4	384.2	16.2
Deferred tax liabilities	(223.0)	(144.5)	(78.5)
Net deferred tax assets/(liabilities)	177.4	239.7	(62.3)
Exchange differences on translating deferred tax of foreign operations			(14.4)
Deferred tax recognised in other comprehensive income/(loss), net			(3.9)
Deferred tax expense charged to net profit or loss			(80.6)

15.2.1 Deferred tax assets and liabilities

	Dec 31 2020	Deferred tax recognised in net profit or loss	Deferred tax recognised in other comprehensive income/(loss)	Exchange differences on translating deferred tax of foreign operations	Mar 31 2021
	(audited)				(unaudited)
Deferred tax assets					
Employee benefit obligations	80.6	5.6	-	0.3	86.5
Provisions for/assets related to decommissioning of oil and gas extraction facilities and site restoration	725.7	11.4	-	41.1	778.2
Difference between current tax value and carrying amount of settlements under joint operations (Norwegian fields)	10.8	(10.9)	-	0.2	0.1
Cash flow hedge accounting	5.8	-	3.9	-	9.7
Tax losses carried forward	267.2	(45.7)	-	-	221.5
Other	125.7	1.8	-	-	127.5
	1,215.8	(37.8)	3.9	41.6	1,223.5
Deferred tax liabilities					
Difference between current tax value and carrying amount: of property, plant and equipment and intangible assets	832.2	75.3	-	24.4	931.9
Difference on accounting and tax measurement of lease contracts	17.1	4.1	-	-	21.2
Other	126.8	(36.6)	-	2.8	93.0
	976.1	42.8	-	27.2	1,046.1
Net deferred tax assets/(liabilities)	239.7	(80.6)	3.9	14.4	177.4

Taxable temporary differences are expected to expire in 2021–2098.

16. Earnings/(loss) per share

	3 months ended Mar 31 2021	3 months ended Mar 31 2020
	(unaudited)	(unaudited)
Net profit/(loss) attributable to owners of the Parent (PLNm) (A)	353.3	(1,311.6)
Weighted average number of shares (million) (B)	184.9	184.9
Earnings/(loss) per share (PLN) (A/B)	1.91	(7.09)

Earnings/(loss) per share for each reporting period are calculated by dividing net profit/(loss) for the reporting period by the weighted average number of shares in the reporting period.

Diluted earnings/(loss) per share are equal to basic earnings/(loss) per share as there are no instruments with a dilutive effect.

17. Dividends

As at March 31st 2021 and December 31st 2020, Grupa LOTOS S.A. was restricted in its ability to distribute funds in the form of dividends pursuant to a credit facility agreement of July 2nd 2019 entered into to refinance the 10+ Programme credit facilities (see Note 22.1 to the consolidated financial statements for 2020). The agreement limits the ability of Grupa LOTOS S.A. to pay dividends and makes it conditional on achievement of certain levels of financial ratios.

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18. Impairment losses

	Non-current assets – Exploration & Production		Non-current assets – Refining & Marketing		Inventories		Receivables		Total	
	3 months ended Mar 31									
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(unaudited)									
At beginning of period (audited)	1,465.9	1,492.6	148.4	139.1	9.5	9.5	127.0	217.7	1,750.8	1,858.9
Recognised	0.6	296.0 ⁽¹⁾	-	8.6 ⁽²⁾	-	866.4	7.0	3.3	7.6	1,174.3
Exchange differences on translating foreign operations	48.7	(88.7)	-	-	-	-	-	-	48.7	(88.7)
Used / Reversed	-	-	(0.2)	(0.1)	(5.6)	-	(3.9)	(4.8)	(9.7)	(4.9)
At end of period (unaudited)	1,515.2	1,699.9	148.2	147.6	3.9	875.9	130.1	216.2	1,797.4	2,939.6

⁽¹⁾ Including: Norwegian fields: YME (PLN 223.6m) and Utgard (PLN 53.4m), and Lithuanian fields (PLN 19.0m), see Note 11.

⁽²⁾ Service stations

In accordance with IAS 2, inventories are measured at the lower of cost and cost less write-downs to net realisable value.

Changes in impairment losses on property, plant and equipment and intangible assets are recognised under other income or expenses. The effect of revaluation of inventories is taken to cost of sales. The amounts resulting from recognition or reversal of impairment losses on receivables are presented under other income or other expenses (the principal portion) and under finance income or finance costs (the default interest portion).

19. Acquisition and sale of property, plant and equipment and intangible assets

	3 months ended Mar 31 2021	3 months ended Mar 31 2020
	(unaudited)	(unaudited)
Capital expenditure – Exploration & Production segment	106.1	124.2
Capital expenditure – Refining & Marketing segment	155.1	112.8
Total	261.2	237.0

In the three months ended March 31st 2021, as well as in the comparative period, capital expenditure in the Exploration & Production segment related mainly to the B-8 field in the Baltic Sea and production from the YME field in Norway.

In the three months to March 31st 2021, capital expenditure in the Refining & Marketing segment was mostly spent on service station network expansion and purchase of catalysts, spare parts, and rail car platforms. In the comparative period, capital expenditure was mainly spent on the EFRA Project, service station network expansion and construction of a railway loading facility.

As at March 31st 2021, the Group's future contractual commitments related to purchases of property, plant and equipment and intangible assets, undisclosed in the statement of financial position, were PLN 437.6m (December 31st 2020: PLN 458.9m). As at March 31st 2021, the contracted expenditure was related, among others, to the upgrade of the Fuel Depot in Piotrków Trybunalski, upgrade of the Claus sulfur recovery unit, upgrade of unit control systems, construction of a railway loading unit, development of the B-8 field, expansion of the service station network and purchase of intermodal rolling stock.

In the three months ended March 31st 2021 and March 31st 2020, the Group did not sell any material items of property, plant and equipment or intangible assets.

20. Cash and cash equivalents

	Mar 31 2021	Mar 31 2020
	(unaudited)	(unaudited)
Cash and cash equivalents in the statement of financial position	1,174.2	1,488.0
Overdraft facilities	(237.5)	(200.5)
Total cash and cash equivalents in the statement of cash flows	936.7	1,287.5

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21. Bank and non-bank borrowings, notes and lease liabilities

	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
Bank borrowings:	3,129.6	2,559.8
- investment facilities contracted for a specific purpose	2,097.1	2,149.2
- working capital facilities	237.6	222.4
- inventory financing and refinancing facility	794.9	188.2
Non-bank borrowings	33.5	35.6
Notes	245.4	231.7
Leases	1,317.8	1,246.4
Total	4,726.3	4,073.5
including:		
non-current	2,887.4	2,717.7
current	1,838.9	1,355.8

	Bank borrowings	Non-bank borrowings	Notes	Leases	Total
Jan 1 2021 (audited)	2,559.8	35.6	231.7	1,246.4	4,073.5
Net proceeds	556.3	-	-	-	556.3
Net repayments	(163.2)	(2.0)	-	(59.1)	(224.3)
Interest, fees and commissions paid	(12.7)	(0.3)	(1.1)	(24.4)	(38.5)
New leases	-	-	-	112.5	112.5
Interest, fees and commissions accrued	13.7	0.2	1.9	18.4	34.2
Prepayments and accruals	4.9	-	-	-	4.9
Exchange differences	155.5	-	12.9	1.2	169.6
Change in overdraft facilities	15.3	-	-	-	15.3
Other	-	-	-	22.8	22.8
Mar 31 2021 (unaudited)	3,129.6	33.5	245.4	1,317.8	4,726.3

	Bank borrowings	Non-bank borrowings	Notes	Leases	Total
Jan 1 2020 (audited)	2,865.2	43.4	231.8	1,276.0	4,416.4
Net proceeds	70.3	-	-	-	70.3
Net repayments	(162.5)	(2.0)	-	(55.5) ⁽¹⁾	(220.0)
Interest, fees and commissions paid	(54.8)	(0.5)	(2.0)	(25.1)	(82.4)
New leases	-	-	-	79.3	79.3
Interest, fees and commissions accrued	22.4	0.6	0.7	19.6	43.3
Prepayments and accruals	2.8	-	-	-	2.8
Exchange differences	240.2	-	21.6	6.6	268.4
Change in overdraft facilities	200.5	-	-	-	200.5
Other	-	-	-	(1.6)	(1.6)
Mar 31 2020 (unaudited)	3,184.1	41.5	252.1	1,299.3	4,777.0

⁽¹⁾ The item "Lease payments" in the statement of cash flows includes upfront lease payments of PLN 2.9m.

In the three months ended March 31st 2021, proceeds from bank borrowings incurred by the Group amounted to PLN 556.3m and included mainly a credit facility contracted to refinance and finance the Parent's inventories (PLN 554.1m). In the same period, repayments of bank borrowings amounted to PLN 163.2m and mainly included repayments under investment facilities of the Parent (PLN 148.9m). These amounts are presented in the statement of cash flows as cash flows from financing activities under: [Proceeds from bank borrowings](#) and [Repayment of bank and non-bank borrowings](#), respectively.

The Group did not contract any non-bank borrowings in the three months ended March 31st 2021. Repayments of non-bank borrowings in the period amounted to PLN 2.0m and were primarily related to a loan contracted in 2014 in the E&P segment to finance the purchase of a drilling platform. This amount was disclosed in cash flows from financing activities under [Repayment of borrowings](#).

In the three months ended March 31st 2021 and March 31st 2020, there were no defaults under any credit facility, loan or lease agreements, or breaches of any material provisions of those agreements having an effect on the Group's financial statements.

In the three months ended March 31st 2021, the Group did not issue or redeem any notes.

In 2016, the SPV B8 Spółka z ograniczoną odpowiedzialnością Baltic S.K.A. (Exploration & Production segment) concluded agreements with Bank Gospodarstwa Krajowego S.A. (BGK) and Polski Fundusz Rozwoju S.A. (the Polish Development Fund, PFR) (Fundusz Inwestycji Infrastrukturalnych – Dłużny Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych) for the financing of the development of the B8 oil field in the Baltic Sea, including senior notes and subordinated notes programme agreements. On July 25th 2018, B8 spółka z ograniczoną odpowiedzialnością Baltic S.K.A. and Bank Gospodarstwa Krajowego executed an amendment to the senior note programme agreement and amendments to the terms and conditions of the notes issued by the company and acquired by BGK. On July 27th 2018, B8 Spółka z ograniczoną odpowiedzialnością Baltic S.K.A. issued notes with a total nominal value of USD 30m. The issue proceeds were used to redeem all notes acquired by Polski Fundusz Rozwoju S.A. All the issued notes are due at dates falling in the period from September 30th 2020 to December 31st 2021. On January 29th 2021, an amendment to the senior note programme agreement, amendments to the terms and conditions of the notes and an amendment to the commission letter were signed, extending the funding availability period until June 30th 2021 and setting the repayment dates for the end of each quarter from September 30th 2021 to December 31st 2024.

As at March 31st 2021, the liability under the outstanding notes issued by B8 Spółka z ograniczoną odpowiedzialnością Baltic S.K.A., net of issue costs, was PLN 245.4m (December 31st 2020: PLN 231.7m).

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22. Provisions

		Provisions for decommissioning and site restoration costs					Other provisions	Total
		Provision for oil and gas extraction facilities			Provisions for retired refining and other units	Total		
		Poland	Norway	Lithuania				
	Note							
Jan 1 2021 (audited)		353.5	985.7	23.2	16.3	1,378.7	177.6	1,556.3
Recognised		-	-	-	-	-	7.8	7.8
Remeasurement of decommissioning costs		-	-	3.5	-	3.5	-	3.5
Change in provisions attributable to approaching due date of liability (discount unwinding effect)	13	-	10.0	(3.3)	-	6.7	-	6.7
Exchange differences on translating foreign operations		-	58.0	0.2	-	58.2	1.3	59.5
Used		-	(1.1)	-	-	(1.1)	(0.7)	(1.8)
Reversed		-	-	-	-	-	-	-
Mar 31 2021 (unaudited)		353.5	1,052.6	23.6	16.3	1,446.0	186.0	1,632.0
including:								
non-current		353.5	1,047.7	23.6	16.2	1,441.0	4.2	1,445.2
current		-	4.9	-	0.1	5.0	181.8	186.8
Jan 1 2020 (audited)		267.9	938.4	17.4	16.2	1,239.9	106.0	1,345.9
Recognised		-	-	-	-	-	1.1	1.1
Remeasurement of decommissioning costs		-	-	-	0.2	0.2	-	0.2
Remeasurement of estimated provision for contingent payments	10	-	-	-	-	-	(4.5)	(4.5)
Change in provisions attributable to approaching due date of liability (discount unwinding effect)	13	-	8.9	0.2	-	9.1	0.1	9.2
Interest on Oil and Gas Facility Decommissioning Fund		0.1	-	-	-	0.1	-	0.1
Exchange differences on translating foreign operations		-	(80.0)	1.2	-	(78.8)	(0.4)	(79.2)
Used		-	(1.3)	-	-	(1.3)	(4.0)	(5.3)
Reversed		-	-	-	-	-	(0.5)	(0.5)
Mar 31 2020 (unaudited)		268.0	866.0	18.8	16.4	1,169.2	97.8	1,267.0
including:								
non-current		268.0	858.0	18.8	16.3	1,161.1	0.3	1,161.4
current		-	8.0	-	0.1	8.1	97.5	105.6

Provisions for decommissioning and site restoration costs:

Provision for oil and gas extraction facilities in Poland – a provision for future costs of decommissioning of the oil and gas extraction facilities in the B-3 and B-8 licence areas, and the Oil and Gas Extraction Facility Decommissioning Fund, set up to cover future costs of decommissioning of oil and gas extraction facilities in accordance with the Geological and Mining Law of February 4th 1994 and the Minister of Economy's Regulation of June 24th 2002.

Provision for oil and gas extraction facilities in Norway – a provision for future costs of decommissioning of the oil extraction facilities in the YME field, and the oil and gas extraction facilities in the Heimdal, Sleipner and Utgard fields.

Provision for oil and gas extraction facilities in Lithuania – a provision for future costs of decommissioning of the Lithuanian oil extraction facilities.

Provisions for retired refining and other units – a provision for site restoration and the cost of disassembly and decommissioning of the retired units at LOTOS Terminale S.A., a provision for estimated cost of disassembly of the subsea pipeline operated by a subsidiary Energobaltic Sp. z o.o. (a company of the LOTOS Petrobaltic Group), as well as for site restoration and clean-up.

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23. Changes in the fair value determination method applied to financial instruments and in the classification of financial instruments

In the three months ended March 31st 2021, the Group made no changes to the method of fair value measurement applied to financial instruments (for description of the method, see Notes 7.20 and 7.22 to the consolidated financial statements for 2020), made no transfers of financial instruments between fair value hierarchy levels (see Note 22.1) and did not reclassify any of its financial instruments (see Note 26.1 to the consolidated financial statements for 2020).

23.1 Fair value measurement

Mar 31 2021	Carrying amount	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Financial assets					
Equity investments measured at fair value through other comprehensive income	309.8	309.8	-	-	309.8
Loans	196.2	196.2	-	196.2	-
Derivative financial instruments	86.1	86.1	1.1	85.0	-
Total	592.1	592.1	1.1	281.2	309.8
Financial liabilities					
Bank borrowings	3,129.6	3,140.0	-	3,140.0	-
Notes	245.4	247.1	-	247.1	-
Derivative financial instruments	101.8	101.8	0.7	101.1	-
Total	3,476.8	3,488.9	0.7	3,488.2	-

Dec 31 2020	Carrying amount	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Financial assets					
Equity investments measured at fair value through other comprehensive income	309.8	309.8	-	-	309.8
Loans	195.9	195.9	-	195.9	-
Derivative financial instruments	67.1	67.1	14.8	52.3	-
Total	572.8	572.8	14.8	248.2	309.8
Financial liabilities					
Bank borrowings	2,559.8	2,572.2	-	2,572.2	-
Notes	231.7	233.6	-	233.6	-
Derivative financial instruments	19.5	19.5	-	19.5	-
Total	2,811.0	2,825.3	-	2,825.3	-

As at March 31st 2021 and December 31st 2020, the fair values of other financial assets and liabilities were equal to their carrying amounts.

24. Contingent liabilities and assets

24.1 Material court, arbitration or administrative proceedings, other risks to the Parent or its subsidiaries, and material settlements under court proceedings

In the period between the end of the previous financial year, i.e. December 31st 2020, and the date of issue of these interim financial statements, there were no significant changes with respect to pending material court, arbitration, and administrative proceedings or with respect to other risks to the Company or its subsidiaries. For information on pending material proceedings, see Note 29.1 to the consolidated financial statements for 2020.

24.2 Other contingent liabilities

In the period between the end of the previous financial year, i.e. December 31st 2020, and the date of issue of these interim financial statements, there were no changes in the Company's or its subsidiaries' other material contingent liabilities.

25. Related parties

25.1 Transactions with joint ventures in which the Group holds interests

In the three months ended March 31st 2021 and March 31st 2020, the Group made material transactions with LOTOS-Air BP Polska Sp. z o.o., involving mainly sale of aviation fuel. The aggregate value of the transactions executed in the three months ended March 31st 2021 was PLN 66.4m (three months ended March 31st 2020: PLN 94.5m). As at March 31st 2021, the balance of outstanding receivables under those transactions was PLN 24.6m (December 31st 2020: PLN 6.7m).

Moreover, the Group executed transactions with UAB Minijos Nafta, with the total value of PLN 2.9m (for the three months ended March 31st 2020: PLN 3.5m). The transactions were crude oil purchases. As at March 31st 2021, the balance of outstanding payables under those transactions was PLN 3.6m (December 31st 2020: PLN 1.2m).

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25.2 Entity having control of the Group

As at March 31st 2021 and December 31st 2020, the State Treasury held a 53.19% interest in Grupa LOTOS S.A.

In connection with measures introduced to control the COVID-19 pandemic, in 2020 Grupa LOTOS S.A., acting in compliance with an order issued by the Polish Prime Minister pursuant to Art. 11.2 of the Act on Special Measures Related to Preventing, Counteracting and Combating COVID-19, Other Infectious Diseases and Related Crisis Situations of March 2nd 2020 (Dz. U. of 2020, item 1842), purchased personal protection equipment against COVID-19 and delivered it to the Material Reserves Agency. Therefore, under an agreement concluded on April 16th 2020 between the Polish State Treasury represented by the Prime Minister and Grupa LOTOS S.A., the Company disclosed outstanding receivables from the State Treasury on account of these transactions as at March 31st 2021 of PLN 45.8m.

In addition, by way of an administrative decision, Grupa LOTOS S.A. was ordered to build a temporary hospital as another form of support for the society provided by state-controlled entities. In the three months ended March 31st 2021, Grupa LOTOS S.A. incurred costs to build, equip and operate the hospital of PLN 25.1m (see Note 11), which are to be reimbursed to Grupa LOTOS S.A. under an agreement it signed with the State Treasury on April 6th 2021 (see Note 11).

In the three months ended March 31st 2020, there were no transactions between Grupa LOTOS S.A. and the State Treasury.

25.2.1 Transactions with related entities of which the State Treasury has control or joint control or on which the State Treasury has significant influence

In the three months ended March 31st 2021 and March 31st 2020, the Group executed transactions with parties related to it through the State Treasury. The aggregate value of the transactions was material. The Group identified transactions with entities related to it through the State Treasury based on the List of State-Owned Companies sourced from the official website of the Republic of Poland. They were concluded on an arm's length basis in the course of the Group's day-to-day operations and involved mainly purchase and sale of fuels and natural gas, purchase of crude oil and energy and transport services.

	3 months ended Mar 31 2021 (unaudited)	3 months ended Mar 31 2020 (unaudited)
Sales	278.5	290.9
Purchases	487.9	403.2
	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
Receivables	45.9	123.0
Liabilities	218.9	239.0

The Group has liabilities under bank borrowings, non-bank borrowings, notes and finance leases towards banks and financial institutions of which the State Treasury has control or joint control or over which it exercises significant influence. These entities include PKO BP S.A., PEKAO S.A., Bank Gospodarstwa Krajowego, and Agencja Rozwoju Przemysłu S.A.

	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
Bank borrowings	1,280.4	1,137.3
Non-bank borrowings	33.5	35.6
Notes	245.4	231.7
Leases	7.2	7.6
Total	1,566.5	1,412.2

As at March 31st 2021, the Parent disclosed a PLN 196.2m loan advanced to Grupa Azoty Polyolefins S.A. (December 31st 2020: PLN 195.9m).

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25.3 Remuneration of members of the Company's governing bodies and its key management staff

Remuneration paid to members of the Parent's Management and Supervisory Boards	3 months ended Mar 31 2021	3 months ended Mar 31 2020
	(unaudited)	(unaudited)
Management Board		
Short-term employee benefits (salaries):	1.44	1.32
Zofia Paryła	0.19	0.18
Jarosław Wittstock	0.45	0.18
Piotr Walczak	0.18	-
Krzysztof Nowicki	0.07	-
Marian Krzemiński	0.18	0.18
Artur Cieślak	0.21	-
Paweł Majewski	-	0.06
Jarosław Kawula	-	0.17
Mateusz Bonca	-	0.09 ⁽¹⁾
Patryk Demski	0.01	0.04 ⁽¹⁾
Robert Sobków	0.15	0.25 ⁽²⁾
Mariusz Machajewski	-	0.17
Supervisory Board		
Short-term employee benefits (salaries):	0.12	0.14
Piotr Ciach	0.02	0.02
Dariusz Figura	0.02	0.02
Beata Kozłowska-Chyła	0.02	0.02
Katarzyna Lewandowska	0.02	0.02
Adam Lewandowski	0.02	0.02
Grzegorz Rybicki	0.02	0.02
Agnieszka Szklarczyk-Mierzwa	-	0.02
Total ⁽³⁾	1.56	1.46
including variable remuneration paid:	0.43	0.39
Management Board		
Jarosław Wittstock	0.28	-
Robert Sobków	0.15	0.22
Mariusz Machajewski	-	0.17

⁽¹⁾ Non-compete compensation paid.

⁽²⁾ Including non-compete compensation paid.

⁽³⁾ The amount reflects changes in the composition of the Company's Management and Supervisory Boards.

In the three months ended March 31st 2021 and March 31st 2020, the Group did not enter into any transactions with any Management Board or Supervisory Board members, did not advance any loans, make any advance payments, issue any guarantees for or conclude any other agreements with any Management Board or Supervisory Board member, which could have a material bearing on these financial statements or were advanced, made, issued or concluded otherwise than on an arm's length basis.

Based on representations submitted by members of the Company's Management and Supervisory Boards, in the three months ended March 31st 2021 and March 31st 2020, Grupa LOTOS S.A. did not become aware of any transactions concluded with the Company or a company of the LOTOS Group by the spouses, relatives, or relatives by affinity in the direct line up to the second degree, of the members of the Management and Supervisory Boards or persons related to them through guardianship or adoption or other persons with whom they have personal relationships.

Remuneration paid to members of the key management staff (excluding members of the Parent's Management Board)	3 months ended Mar 31 2021	3 months ended Mar 31 2020
	(unaudited)	(unaudited)
Short-term employee benefits (salaries), including:	9.0	10.9
- annual bonus paid	2.2	3.7

In the three months ended March 31st 2021 and March 31st 2020, the Group did not provide any loans or similar benefits to other members of its key management staff.

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25.4 Transactions with related parties of members of the Management Board and the Supervisory Board

Transactions with parties related to the Group through members of the Parent's Management and Supervisory Boards	3 months ended Mar 31 2021 (unaudited)	3 months ended Mar 31 2020 (unaudited)
Sales	3.7	-
Purchases	15.5	3.6
	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
Receivables	1.3	4.2
Liabilities	2.9	0.1

The transactions entered into by the Group in the three months to March 31st 2021 were related mainly to the purchase of civil-law and property insurance (PLN 5.1m), purchase of natural gas (PLN 10.0m), purchase of chemicals (PLN 0.4m) and sale of fuels (PLN 3.7m).

As at March 31st 2021, the Group disclosed borrowings from banks and financial institutions related to it through a Supervisory Board member, totalling PLN 687.1m (31st December 2020: PLN 659.9m)

In the three months to March 31st 2020, the Group executed transactions with parties related to it through a member of the Supervisory Board of the Parent, amounting to PLN 3.6m. The transactions were related mainly to the purchase of civil law and property insurance.

All transactions with parties related to the Group through members of the Management Board or the Supervisory Board were executed on an arm's length basis.

II. QUARTERLY FINANCIAL INFORMATION OF THE PARENT FOR THE THREE MONTHS ENDED MARCH 31ST 2021

GRUPA LOTOS S.A.
Quarterly financial information
for the three months ended March 31st 2021
(PLNm)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	3 months ended Mar 31 2021 (unaudited)	3 months ended Mar 31 2020 (unaudited)
Revenue	5,200.5	5,361.1
Cost of sales	(4,433.3)	(6,591.0)
Gross profit/(loss)	767.2	(1,229.9)
Selling expenses	(158.7)	(190.7)
Administrative expenses	(70.2)	(64.6)
Other income	2.3	1.2
Other expenses	(27.1)	(12.9)
(Impairment losses)/reversal of impairment losses on financial instruments	(0.4)	1.9
Operating profit/(loss)	513.1	(1,495.0)
Finance income	3.2	2.4
including interest income calculated using the effective interest rate method	0.5	1.9
Finance costs	(90.6)	(231.6)
Profit/(loss) before tax	425.7	(1,724.2)
Corporate income tax	(80.1)	324.5
Net profit/(loss)	345.6	(1,399.7)

Other comprehensive income/(loss)

Items that may be reclassified to profit or loss:

Cash flow hedges	(20.8)	(65.9)
Corporate income tax on cash flow hedges	3.9	12.5
Other comprehensive income/(loss), net	(16.9)	(53.4)
Total comprehensive income/(loss)	328.7	(1,453.1)

Earnings/(loss) per share (PLN)

Weighted average number of shares (million)	184.9	184.9
- basic	1.87	(7.57)
- diluted	1.87	(7.57)

GRUPA LOTOS S.A.
Quarterly financial information
for the three months ended March 31st 2021
(PLNm)

SEPARATE STATEMENT OF FINANCIAL POSITION

	Mar 31 2021	Dec 31 2020
	(unaudited)	(audited)
ASSETS		
Non-current assets		
Property, plant and equipment	5,470.7	5,474.6
Intangible assets	75.9	77.7
Shares	3,195.0	3,293.0
Derivative financial instruments	7.7	1.2
Loans	200.7	198.9
Other non-current assets	27.5	26.2
Total non-current assets	8,977.5	9,071.6
Current assets		
Inventories	4,008.3	3,193.7
- including emergency stocks	2,466.1	2,151.4
Trade receivables	2,487.8	1,445.4
Current tax assets	196.4	180.0
Derivative financial instruments	78.4	65.9
Other current assets	229.8	121.3
Cash and cash equivalents	40.9	1,072.0
Total current assets	7,041.6	6,078.3
Total assets	16,019.1	15,149.9
EQUITY AND LIABILITIES		
Equity		
Share capital	184.9	184.9
Share premium	2,228.3	2,228.3
Cash flow hedging reserve	(41.3)	(24.4)
Retained earnings	7,406.2	7,060.6
Total equity	9,778.1	9,449.4
Non-current liabilities		
Bank borrowings, leases	921.8	1,027.2
Derivative financial instruments	0.9	1.0
Deferred tax liabilities	188.6	112.5
Employee benefit obligations	87.3	85.3
Other liabilities and provisions	11.0	13.4
Total non-current liabilities	1,209.6	1,239.4
Current liabilities		
Bank borrowings, leases	1,354.8	740.3
Derivative financial instruments	92.0	10.3
Trade payables	1,153.9	1,657.6
Employee benefit obligations	88.4	76.0
Other liabilities and provisions	2,342.3	1,976.9
Total current liabilities	5,031.4	4,461.1
Total liabilities	6,241.0	5,700.5
Total equity and liabilities	16,019.1	15,149.9

GRUPA LOTOS S.A.
Quarterly financial information
for the three months ended March 31st 2021
(PLNm)

SEPARATE STATEMENT OF CASH FLOWS

(indirect method)

	3 months ended Mar 31 2021 (unaudited)	3 months ended Mar 31 2020 (unaudited)
Cash flows from operating activities		
Net profit/(loss)	345.6	(1,399.7)
Adjustments:	(2,078.6)	1,246.6
Income tax	80.1	(324.5)
Depreciation and amortisation	108.5	100.7
Foreign exchange (gains)/losses	87.9	78.3
Interest and dividends	3.8	6.4
(Gains)/losses from investing activities	-	0.1
Settlement and measurement of derivative financial instruments	35.8	205.6
(Increase)/Decrease in trade receivables	(1,042.4)	278.4
(Increase) in other assets	(9.8)	(48.1)
(Increase)/Decrease in inventories	(814.8)	1,883.2
(Decrease) in trade payables	(503.7)	(900.2)
(Decrease) in other liabilities and provisions	(38.4)	(32.8)
Increase/(Decrease) in employee benefit obligations	14.4	(0.5)
Income tax paid	(16.4)	(47.4)
Net cash from operating activities	(1,749.4)	(200.5)
Cash flows from investing activities		
Dividends received	2.2	-
Interest received	0.2	-
Proceeds from sale of property, plant and equipment and intangible assets	-	0.6
Repayment of loans	2.4	-
Purchase of property, plant and equipment and intangible assets	(112.9)	(41.4)
Loans	(4.4)	-
Security deposit (margin)	(0.3)	(44.2)
Settlement of derivative financial instruments	33.5	1.1
Net cash from investing activities	(79.3)	(83.9)
Cash flows from financing activities		
Proceeds from bank borrowings	554.1	-
Repayment of bank borrowings	(148.9)	(152.7)
Interest paid	(12.6)	(33.1)
Finance lease payments	(1.2)	(1.2)
Settlement of derivative financial instruments	(6.8)	(19.7)
Cash flows under cash pooling arrangement	398.0	-
Net cash from financing activities	782.6	(206.7)
Total net cash flow	(1,046.1)	(491.1)
Effect of exchange rate fluctuations on cash held	(0.3)	1.4
Change in net cash	(1,046.4)	(489.7)
Cash at beginning of period	849.8	319.0
Cash at end of period	(196.6)	(170.7)

GRUPA LOTOS S.A.
Quarterly financial information
for the three months ended March 31st 2021
(PLNm)

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Cash flow hedging reserve	Retained earnings	Total equity
Jan 1 2021 (audited)	184.9	2,228.3	(24.4)	7,060.6	9,449.4
Net profit	-	-	-	345.6	345.6
Other comprehensive income/(loss), net	-	-	(16.9)	-	(16.9)
Total comprehensive income/(loss)	-	-	(16.9)	345.6	328.7
Mar 31 2021 (unaudited)	184.9	2,228.3	(41.3)	7,406.2	9,778.1
Jan 1 2020 (audited)	184.9	2,228.3	(203.6)	8,129.7	10,339.3
Net loss	-	-	-	(1,399.7)	(1,399.7)
Other comprehensive income/(loss), net	-	-	(53.4)	-	(53.4)
Total comprehensive income/(loss)	-	-	(53.4)	(1,399.7)	(1,453.1)
Mar 31 2020 (unaudited)	184.9	2,228.3	(257.0)	6,730.0	8,886.2

AUTHORISATION OF QUARTERLY FINANCIAL REPORT FOR ISSUE

This quarterly financial report was authorised for issue by the Management Board on April 27th 2021.

Signatures of the Management Board members and the person responsible for keeping the accounting books of Grupa LOTOS S.A.

President of the Management Board

Zofia Paryła

Vice President of the Management Board,
Chief Investment and Innovation Officer

Jarosław Piotr Wróbel

Vice President of the Management Board,
Chief Refining and Marketing Officer

Piotr Aleksander Walczak

Vice President of the Management Board,
Corporate Affairs

Jarosław Wittstock

Vice President of the Management Board,
Mergers and Acquisitions

Krzysztof Nowicki

Finance and Accounting Centre Director –
Chief Accountant

Tomasz Południewski