

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:	1.1.2020	to	31.12.2020
Year:	2020		
Quarter:	4		

## Quarterly financial statements

Registration number (MB):	03674223	Issuer's home Member State code:	REPUBLIKA HRVATSKA
Entity's registration number (MBS):	080004355		
Personal identification number (OIB):	24503685008	LEI:	74780000U0FHQRSAX069
Institution code:	1141		

Name of the issuer: PETROKEMIJA d.d.

Postcode and town: 44320

KUTINA

Street and house number: ALEJA VUKOVAR 4

E-mail address: fin@petrokemija.hr

Web address: www.petrokemija.hr

Number of employees (end of the reporting): 1232

Consolidated report: KN (KN-not consolidated/KD-consolidated)

Audited: RN (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm: No (Yes/No)

(name of the bookkeeping firm)

Contact person: ANTONIJA PEROŠEVIĆ-GALOVIĆ  
(only name and surname of the contact person)

Telephone: 044-647-801

E-mail address: marina.maric@petrokemija.hr

Audit firm: KPMG Croatia d.o.o.  
(name of the audit firm)Certified auditor: Igor Gošek  
(name and surname)

**BALANCE SHEET**  
balance as at 31.12.2020

in HRK

Submitter: PETROKEMIJA, d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	638.140.171	604.841.172
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	2.181.727	1.265.670
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	2.181.727	1.265.670
3 Goodwill	<b>006</b>	0	0
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	0	0
6 Other intangible assets	<b>009</b>	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	613.099.115	582.434.964
1 Land	<b>011</b>	43.947.414	43.947.414
2 Buildings	<b>012</b>	173.669.042	160.849.193
3 Plant and equipment	<b>013</b>	361.280.680	329.950.296
4 Tools, working inventory and transportation assets	<b>014</b>	13.563.180	13.619.833
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	4.279.293	6.632
7 Tangible assets in preparation	<b>017</b>	15.896.812	33.598.964
8 Other tangible assets	<b>018</b>	462.694	462.632
9 Investment property	<b>019</b>	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	22.859.329	20.972.557
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	22.849.103	20.091.392
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	0	870.939
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	0	0
8 Loans, deposits, etc. given	<b>028</b>	0	0
9 Other investments accounted for using the equity method	<b>029</b>	10.226	10.226
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	167.981
1 Receivables from undertakings within the group	<b>032</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	0	0
4 Other receivables	<b>035</b>	0	167.981
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	773.978.554	571.544.894
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	218.192.981	195.534.974
1 Raw materials and consumables	<b>039</b>	110.725.680	92.521.254
2 Work in progress	<b>040</b>	27.059.389	13.026.465
3 Finished goods	<b>041</b>	74.736.624	84.761.269
4 Merchandise	<b>042</b>	3.458.462	1.082.897
5 Advances for inventories	<b>043</b>	2.212.826	4.143.089
6 Fixed assets held for sale	<b>044</b>	0	0
7 Biological assets	<b>045</b>	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	75.803.521	39.125.148

1 Receivables from undertakings within the group	047	712.865	845.597
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	38.958.333	8.256.415
4 Receivables from employees and members of the undertaking	050	7.092	21.157
5 Receivables from government and other institutions	051	34.268.337	28.673.569
6 Other receivables	052	1.856.894	1.328.410
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>441.208.628</b>	<b>222.316.582</b>
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	400.000	997.679
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	343.133.318	165.298.078
9 Other financial assets	062	97.675.310	56.020.825
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>38.773.424</b>	<b>114.568.190</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>37.884.926</b>	<b>51.778.891</b>
<b>E ) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>1.450.003.651</b>	<b>1.228.164.957</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>972.746.484</b>	<b>435.126.367</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>373.050.937</b>	<b>638.052.007</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	550.287.010	550.287.010
II CAPITAL RESERVES	069	-350.000	-350.000
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	-14.080	-14.080
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	-14.080	-14.080
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-176.871.993	-176.871.993
1 Retained profit	082	140.401.028	0
2 Loss brought forward	083	317.273.021	176.871.993
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	0	265.001.070
1 Profit for the business year	085	0	265.001.070
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>21.124.655</b>	<b>20.805.504</b>
1 Provisions for pensions, termination benefits and similar obligations	089	11.651.967	10.941.378
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	672.688	1.064.126
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	8.800.000	8.800.000
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>182.373.542</b>	<b>94.504.547</b>
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0

3 Liabilities to companies linked by virtue of participating interests	<b>098</b>	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>099</b>	0	0
5 Liabilities for loans, deposits etc.	<b>100</b>	74.400.799	0
6 Liabilities to banks and other financial institutions	<b>101</b>	106.620.110	93.657.975
7 Liabilities for advance payments	<b>102</b>	0	0
8 Liabilities to suppliers	<b>103</b>	0	0
9 Liabilities for securities	<b>104</b>	0	0
10 Other long-term liabilities	<b>105</b>	1.352.633	846.572
11 Deferred tax liability	<b>106</b>	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>640.871.025</b>	<b>196.392.053</b>
1 Liabilities to undertakings within the group	<b>108</b>	2.662.506	634.231
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>109</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>110</b>	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>111</b>	0	0
5 Liabilities for loans, deposits etc.	<b>112</b>	364.478.979	0
6 Liabilities to banks and other financial institutions	<b>113</b>	18.634.186	14.313.305
7 Liabilities for advance payments	<b>114</b>	57.005.346	27.491.090
8 Liabilities to suppliers	<b>115</b>	144.759.170	121.887.071
9 Liabilities for securities	<b>116</b>	0	0
10 Liabilities to employees	<b>117</b>	24.425.127	17.224.769
11 Taxes, contributions and similar liabilities	<b>118</b>	20.281.031	6.545.056
12 Liabilities arising from the share in the result	<b>119</b>	0	0
13 Liabilities arising from fixed assets held for sale	<b>120</b>	0	0
14 Other short-term liabilities	<b>121</b>	8.624.680	8.296.531
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>232.583.492</b>	<b>278.410.846</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>1.450.003.651</b>	<b>1.228.164.957</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>972.746.484</b>	<b>435.126.367</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 1. 1. 2020 to 31. 12. 2020

in HRK

Submitter: PETROKEMIJA, d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>2.131.251.449</b>	<b>493.629.240</b>	<b>1.801.674.707</b>	<b>390.717.557</b>
1 Income from sales with undertakings within the group	126	30.594.281	671.027	5.499.300	1.181.838
2 Income from sales (outside group)	127	2.076.706.143	482.650.348	1.782.557.158	382.857.498
3 Income from the use of own products, goods and services	128	2.586.718	326.580	4.573.635	1.934.093
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	21.364.307	9.981.285	9.044.614	4.744.128
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>1.964.651.762</b>	<b>466.912.778</b>	<b>1.515.970.412</b>	<b>435.026.973</b>
1 Changes in inventories of work in progress and finished goods	132	66.978.688	-16.283.067	371.422	-27.823.513
2 Material costs (ADP 134 to 136)	133	1.406.121.647	337.590.213	1.093.821.725	316.462.273
a) Costs of raw materials and consumables	134	1.332.537.551	319.820.544	1.023.752.032	306.152.307
b) Costs of goods sold	135	14.559.608	902.418	19.708.869	1.141.676
c) Other external costs	136	59.024.488	16.867.251	50.360.824	9.168.290
3 Staff costs (ADP 138 to 140)	137	177.294.841	41.245.826	163.273.710	41.901.755
a) Net salaries and wages	138	111.974.412	26.124.424	103.748.696	26.779.975
b) Tax and contributions from salary costs	139	40.502.816	9.396.665	37.322.928	9.442.690
c) Contributions on salaries	140	24.817.613	5.724.737	22.202.086	5.679.090
4 Depreciation	141	98.856.157	22.535.394	82.620.011	19.806.706
5 Other costs	142	199.885.091	72.245.055	156.055.693	64.861.812
6 Value adjustments (ADP 144+145)	143	11.081.027	10.893.046	16.819.014	16.809.103
a) fixed assets other than financial assets	144	2.130.597	2.068.509	24.440	23.907
b) current assets other than financial assets	145	8.950.430	8.824.537	16.794.574	16.785.196
7 Provisions (ADP 147 to 152)	146	4.434.311	-1.313.689	3.008.837	3.008.837
a) Provisions for pensions, termination benefits and similar obligations	147	975.469	-4.772.531	183.664	183.664
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	244.281	244.281	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	3.214.561	3.214.561	2.825.173	2.825.173
8 Other operating expenses	153	0	0	0	0
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>3.160.947</b>	<b>380.278</b>	<b>3.696.102</b>	<b>54.439</b>
1 Income from investments in holdings (shares) of undertakings within the group	155	352.544	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	521	521	53.244	14.263
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	18.007	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	459.705	111.564	304.790	43.695
8 Exchange rate differences and other financial income	162	2.042.099	177.108	2.877.009	-79.526
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	288.071	91.085	461.059	76.007
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>29.359.606</b>	<b>10.843.508</b>	<b>24.399.327</b>	<b>5.549.778</b>
1 Interest expenses and similar expenses with undertakings within the group	166	108.617	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	2.672	0	0	0
3 Interest expenses and similar expenses	168	20.697.394	5.024.668	14.043.916	1.723.218
4 Exchange rate differences and other expenses	169	3.798.639	1.071.212	7.205.496	1.072.475
5 Unrealised losses (expenses) from financial assets	170	4.728.239	4.728.239	2.754.085	2.754.085
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	24.045	19.389	395.830	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>2.134.412.396</b>	<b>494.009.518</b>	<b>1.805.370.809</b>	<b>390.771.996</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>1.994.011.368</b>	<b>477.756.286</b>	<b>1.540.369.739</b>	<b>440.576.751</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>140.401.028</b>	<b>16.253.232</b>	<b>265.001.070</b>	<b>-49.804.755</b>
1 Pre-tax profit (ADP 177-178)	180	140.401.028	16.253.232	265.001.070	0

2 Pre-tax loss (ADP 178-177)	181	0	0	0	-49.804.755
<b>XII INCOME TAX</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>140.401.028</b>	<b>16.253.232</b>	<b>265.001.070</b>	<b>-49.804.755</b>
1 Profit for the period (ADP 179-182)	184	140.401.028	16.253.232	265.001.070	0
2 Loss for the period (ADP 182-179)	185	0	0	0	-49.804.755
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	<b>140.401.028</b>	<b>16.253.232</b>	<b>265.001.070</b>	<b>-49.804.755</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	<b>140.401.028</b>	<b>16.253.232</b>	<b>265.001.070</b>	<b>-49.804.755</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)</b>	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	216	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 1.1.2020. to 31.12.2020.

in HRK

Submitter: PETROKEMIJA, d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	140.401.028	265.001.070
2 Adjustments (ADP 003 to 010):	002	132.424.739	94.415.966
a) Depreciation	003	98.856.157	82.620.011
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	1.944.171	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	4.783.583	0
d) Interest and dividend income	006	-812.770	-358.034
e) Interest expenses	007	20.806.010	14.043.916
f) Provisions	008	1.633.061	-319.151
g) Exchange rate differences (unrealised)	009	-1.741.205	-4.328.487
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	6.955.732	2.757.711
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>272.825.767</b>	<b>359.417.036</b>
3 Changes in the working capital (ADP 013 to 016)	012	-105.102.483	27.872.874
a) Increase or decrease in short-term liabilities	013	-173.759.214	-16.619.960
b) Increase or decrease in short-term receivables	014	5.926.640	21.834.827
c) Increase or decrease in inventories	015	62.730.091	22.658.007
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>167.723.284</b>	<b>387.289.910</b>
4 Interest paid	018	-16.804.577	-21.049.049
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>150.918.707</b>	<b>366.240.861</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	1.655.006	462.553
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	459.705	216.023
4 Dividends received	024	352.544	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>2.467.255</b>	<b>678.576</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-24.781.207	-51.039.803
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-400.000	-870.939
4 Acquisition of a subsidiary, net of cash acquired	031	-200.000	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-25.381.207</b>	<b>-51.910.742</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-22.913.952</b>	<b>-51.232.166</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	0
4 Other cash receipts from financing activities	038	288.070	461.058
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>288.070</b>	<b>461.058</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-33.353.832	-458.171.203
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	-395.830
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-33.353.832</b>	<b>-458.567.033</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-33.065.762</b>	<b>-458.105.975</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>94.938.993</b>	<b>-143.097.280</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>384.643.058</b>	<b>480.579.731</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)</b>	<b>050</b>	<b>479.582.051</b>	<b>337.482.451</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the period from **1.1.2020** to **31.12.2020**

in HRK

Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
<b>Previous period</b>																	
1 Balance on the first day of the previous business year	01	550.287.010	153.523.269	0	0	14.080	0	0	0	0	0	0	0	-470.796.290	232.999.909	0	232.999.909
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)</b>	<b>04</b>	<b>550.287.010</b>	<b>153.523.269</b>	<b>0</b>	<b>0</b>	<b>14.080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-470.796.290</b>	<b>232.999.909</b>	<b>0</b>	<b>232.999.909</b>
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	140.401.028	140.401.028	0	140.401.028
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	-350.000	0	0	0	0	0	0	0	0	0	0	0	-350.000	0	-350.000
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	-153.523.269	0	0	0	0	0	0	0	0	0	-317.273.021	470.796.290	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>23 Balance on the last day of the previous business year reporting period (04 to 22)</b>	<b>23</b>	<b>550.287.010</b>	<b>-350.000</b>	<b>0</b>	<b>0</b>	<b>14.080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-317.273.021</b>	<b>140.401.028</b>	<b>373.050.937</b>	<b>0</b>	<b>373.050.937</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
<b>I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140.401.028</b>	<b>140.401.028</b>	<b>0</b>	<b>140.401.028</b>
<b>III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)</b>	<b>26</b>	<b>0</b>	<b>-153.873.269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-317.273.021</b>	<b>470.796.290</b>	<b>-350.000</b>	<b>0</b>	<b>-350.000</b>
<b>Current period</b>																	
1 Balance on the first day of the current business year	27	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	-317.273.021	140.401.028	373.050.937	0	373.050.937
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the current business year (restated) (ADP 27 to 29)</b>	<b>30</b>	<b>550.287.010</b>	<b>-350.000</b>	<b>0</b>	<b>0</b>	<b>14.080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-317.273.021</b>	<b>140.401.028</b>	<b>373.050.937</b>	<b>0</b>	<b>373.050.937</b>
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	265.001.070	265.001.070	0	265.001.070
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	140.401.028	-140.401.028	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>23 Balance on the last day of the current business year reporting period (ADP 30 to 48)</b>	<b>49</b>	<b>550.287.010</b>	<b>-350.000</b>	<b>0</b>	<b>0</b>	<b>14.080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-176.871.993</b>	<b>265.001.070</b>	<b>638.052.007</b>	<b>0</b>	<b>638.052.007</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>265.001.070</b>	<b>265.001.070</b>	<b>0</b>	<b>265.001.070</b>
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140.401.028</b>	<b>-140.401.028</b>	<b>0</b>	<b>0</b>	<b>0</b>



NOTES TO FINANCIAL STATEMENTS - TFI  
(drawn up for quarterly reporting periods)

Name of the issuer: PETROKEMIJA PLC

Tax Number (OIB – Personal Identification Number issued by the Croatian Tax Administration):  
24503685008

Reporting period: 1 January 2020 – 31 December 2020

The accounting policies followed during the preparation of separate, unconsolidated financial statements of Petrokemija Plc for the period January-December 2020 are consistent with the accounting policies followed during the preparation of the 2019 annual audited financial statements. The separate, unconsolidated financial statements have been prepared based on consistent presentation and classification. When the presentation and classification of items in the unconsolidated financial statements are changed, comparative amounts are reclassified, unless reclassification is not feasible.

The financial statement of Petrokemija Plc for the period January – December 2020 and the Q4 2020 Interim Report describe significant business events as of 31 December 2020.

The 2019 annual audited financial statements and the quarterly financial statement for the period January – December 2020 are available on [www.petrokemija.hr](http://www.petrokemija.hr).



Petrokemija d.d. (ZB: PTKM-R-A; petrokemija.hr) announced its Q4 /Q1-Q4 2020 results today. This report contains unaudited financial statements for the period ending on 31<sup>th</sup> of December 2020 as prepared by the management in accordance with the International Financial Reporting Standards.

## Petrokemija d.d. financial results <sup>(1)</sup> (IFRS)

Q4 2019	Q4 2020	HRK mln	Q1-Q4 2019	Q1-Q4 2020	%
483	384	Sales revenues	2,107	1,788	(15)
49	(25)	EBITDA <sup>(2)</sup>	265	368	39
<b>64</b>	<b>(4)</b>	<b>EBITDA excl. special items <sup>(3)</sup></b>	<b>334</b>	<b>394</b>	<b>18</b>
27	(44)	Profit/(loss) from operations	167	286	71
<b>41</b>	<b>(24)</b>	<b>Operating profit excl. special items <sup>(3)</sup></b>	<b>235</b>	<b>311</b>	<b>32</b>
(10)	(5)	Net result from financial activities	(26)	(21)	(21)
16	(50)	Net profit/loss	140	265	89
<b>31</b>	<b>(30)</b>	<b>Net profit/loss for the period excl. special items <sup>(3)</sup></b>	<b>209</b>	<b>290</b>	<b>39</b>
<b>55</b>	<b>(31)</b>	<b>Simplified Free Cash Flow <sup>(4)</sup></b>	<b>311</b>	<b>338</b>	<b>9</b>
396	99	Net debt <sup>(5)</sup>	396	99	(75)
52	13	Net gearing (%) <sup>(6)</sup>	52	13	(74)
<b>9</b>	<b>27</b>	<b>CAPEX</b>	<b>23</b>	<b>55</b>	<b>140</b>

  

Q4 2019	Q4 2020	EUR mln	Q1-Q4 2019	Q1-Q4 2020	%
65	51	Sales revenues	284	237	(16)
7	(3)	EBITDA <sup>(2)</sup>	36	49	37
<b>9</b>	<b>(1)</b>	<b>EBITDA excl. special items <sup>(3)</sup></b>	<b>45</b>	<b>52</b>	<b>16</b>
4	(6)	Profit/(loss) from operations	22	38	69
<b>6</b>	<b>(3)</b>	<b>Operating profit excl. special items <sup>(3)</sup></b>	<b>32</b>	<b>41</b>	<b>30</b>
(1)	(1)	Net result from financial activities	(4)	(3)	(22)
2	(7)	Net profit/loss	19	35	86
<b>4</b>	<b>(4)</b>	<b>Net profit/loss for the period excl. special items <sup>(3)</sup></b>	<b>28</b>	<b>39</b>	<b>37</b>
<b>7</b>	<b>(4)</b>	<b>Simplified Free Cash Flow <sup>(4)</sup></b>	<b>42</b>	<b>45</b>	<b>7</b>
53	13	Net debt <sup>(5)</sup>	53	13	(75)
52	13	Net gearing (%) <sup>(6)</sup>	52	13	(74)
<b>1</b>	<b>4</b>	<b>CAPEX</b>	<b>3</b>	<b>7</b>	<b>136</b>

<sup>(1)</sup> At the end of 2019 Petrokemija d.d. adjusted its accounting policy for the treatment of the fee for greenhouse gas emission and related items of assets and liabilities adopting the gross principle. According to the new policy and gross reporting principal liabilities for the purchase of allowances are shown separately from the amounts of allowances purchased as of the reporting date. Those liabilities are recorded within current assets. Further, changes in pricing are demonstrate in the Profit and Loss under the operating cost, whereas previously they have been demonstrated in the financial expenses

<sup>(2)</sup> EBITDA = EBIT + Depreciation and amortization

<sup>(3)</sup> In Q1-Q4 2020 EBITDA, operating and net profit were negatively impacted by HRK 24 mln of special items related to the value adjustment of liabilities for CO2 emission charges and HRK 1 mln for severance payments, in Q1-Q4 2019 EBITDA, operating and net profit were negatively impacted by HRK 2 mln value adjustment of liabilities for CO2 emission charges and HRK 66 mln for severance payments

<sup>(4)</sup> Simplified free cash flow = EBITDA excluding special items - capital expenditures

<sup>(5)</sup> Net debt = Long and short term financial loans + Liabilities for received advances + Accruals + Provisions – Cash and cash equivalents – Given loans and deposits – Other financial assets

<sup>(6)</sup> Net gearing = Net debt / (net debt plus equity)

<sup>(7)</sup> In converting HRK figures into EUR, the following average CNB (HNB) rates were used: for Q4 2019 – 7.41 EUR/HRK; Q4 2020 – 7.53 EUR/HRK; as at December 31<sup>th</sup> 2019 – 7.44 EUR/HRK; as at December 31<sup>th</sup>, 2020 – 7.54 EUR/HRK

The COVID 19 pandemic did not have a negative impact on the demand for mineral fertilizers in 2020 due to the expected inelasticity of food consumption and agricultural production. The production of mineral fertilizers worked steadily while logistics worked with minor disruptions in the supply chains caused by the COVID 19 crisis.

In 2020 Petrokemija d.d. reduced its sales revenue by 15% to HRK 1,788 mln, the decrease in revenue was mainly caused by somewhat lower prices of mineral fertilizers (consequence of the significantly lower price of natural gas on the European market) and slightly lower sales quantities. Sales quantities are declining in Q4 2020 due to winter turnaround and the need to increase inventory ahead of the spring season. Lower sales resulted in worsened Q4 result.

2020 EBITDA excluding special items amounted to HRK 394 mln, it increased compared to 2019 due to stable production, continuous sales and low natural gas price.



## Management discussion

### Production and sales

Q4 2019	Q4 2020	Fertilizers production (kt)	Q1-Q4 2019	Q1-Q4 2020	%
301	267	Fertilizers	1,135	1,113	(2)
Q4 2019	Q4 2020	Fertilizers sales (kt)	Q1-Q4 2019	Q1-Q4 2020	%
76	99	Domestic market	340	373	10
194	145	Export	788	714	(9)
<b>270</b>	<b>244</b>	<b>Total fertilizers sales (kt)</b>	<b>1,128</b>	<b>1,087</b>	<b>(4)</b>

### Main external parameters

Q4 2019	Q4 2020		Q1-Q4 2019	Q1-Q4 2020	%
13.01	13.81	Natural gas price* (EUR/MWh)	14.75	9.98	(32)
24.93	32.04	CO2 European Emission Allowances-EUA** (EUR/unit)	24.93	32.04	29
6.72	6.34	USD/HRK average	6.62	6.61	(0)
6,65	6,14	USD/HRK closing	6,65	6,14	(8)
7,43	7,55	EUR/HRK average	7,41	7,53	2
7,44	7,54	EUR/HRK closing	7,44	7,54	1

\*CEGH market data – period average

\*\* EEX market data – period closing

### Performance 2020 vs. 2019

#### KEY DRIVERS

- Plant operated with high utilization of all units, achieving total production slightly lower (2%) compared to 2019
- Sales volume on domestic market higher (10%), while on export markets lower (9%)
- Significantly lower natural gas price as a result of lower gas prices in European markets
- Significant price increase (29%) of CO2 Emissions allowances (EUA)

#### Commenting on the results, Mr. Davor Žmegač, President of the Management Board said:

In 2020 Petrokemija d.d. posted one of the strongest results in its history, net profit amounted to HRK 265 mln compared to HRK 140 mln net profit in the same period last year. Considering the result without special items, net profit for 2020 amounted to HRK 290 mln as opposed to HRK 209 mln net profit in 2019. Special items imply HRK 24 mln negative effect of value adjustment of liabilities for CO2 emission charges and HRK 1 mln for severance payments in 2020. In 2019 special items were HRK 2 mln negative effect of value adjustment of liabilities for CO2 emission charges and HRK 66 mln for severance payments.

The COVID 19 pandemic did not have a negative impact on the demand for mineral fertilizers, which combined with Company's ability to maintain continuous production resulted in high volume of production and sales in 2020. The performance of Petrokemija d.d. in 2020 was also positively impacted by significantly lower natural gas price and implemented efficiency measures in previous periods.

Petrokemija d.d. planned a major turnaround during summer of 2020. However, as a consequence of COVID 19 pandemic, the timing of the turnaround has been shifted to January of 2021 due to inability from some contractors to deliver spare parts until initially planned deadlines and due to then valid restrictions on travel.

The management closely monitors the development of the COVID 19 situation and implements relevant recommendations of the Croatian National Institute of Public Health for maintaining the health and safety of the Company's employees and is also continuously working to assess the impact of the pandemic on the Company's operations.



**Petrokemija, d.d. Unconsolidated Statement of Profit or Loss**  
**For the period ended 31 December 2019 and 2020**  
**(HRK millions)**

Q4 2019	Q4 2020	HRK mln	Note	Q1-Q4 2019	Q1-Q4 2020	%
<b>483</b>	<b>384</b>	<b>Sales revenue</b>	1	<b>2,107</b>	<b>1,788</b>	<b>(15)</b>
0	2	Income from own consumption of products and services		3	5	77
10	5	Other operating income		21	9	(58)
<b>494</b>	<b>391</b>	<b>Total operating income</b>		<b>2,131</b>	<b>1,802</b>	<b>(15)</b>
(16)	(28)	Inventory change of finished prod. and work in progress		67	0	(99)
320	306	Cost of raw materials and consumables	2	1,333	1,024	(23)
23	20	Depreciation and amortization	5	99	83	(16)
17	9	Other material costs	2	59	50	(15)
41	42	Staff costs	6	177	163	(8)
1	1	Cost of other goods sold		15	20	35
72	65	Other costs	4	200	156	(22)
11	17	Impairment and charges		11	17	52
(1)	3	Provisions for charges and risks	3	4	3	(32)
<b>467</b>	<b>435</b>	<b>Operating expenses</b>		<b>1,965</b>	<b>1,516</b>	<b>(23)</b>
<b>27</b>	<b>(44)</b>	<b>Profit/(Loss) from operations</b>		<b>167</b>	<b>286</b>	<b>71</b>
0	0	Finance income		3	4	17
11	6	Finance costs		29	24	(17)
<b>(10)</b>	<b>(5)</b>	<b>Net (loss) / profit from financial activities</b>	7	<b>(26)</b>	<b>(21)</b>	<b>(21)</b>
<b>16</b>	<b>(50)</b>	<b>Profit/(Loss) for the year</b>		<b>140</b>	<b>265</b>	<b>89</b>



**Petrokemija, d.d. Unconsolidated Statement of Financial Position**  
**At 31 December 2019 and 31 December 2020**  
**(HRK millions)**

HRK mln	Note	31 Dec 2019	31 Dec 2020	%
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		2	1	(42)
Property, plant and equipment	9	613	582	(5)
Investment in subsidiaries		23	20	(12)
Other investments		0	0	0
Long-term receivables		0	1	n.a.
Deferred tax		0	0	0
<b>Total non-current assets</b>		<b>638</b>	<b>605</b>	<b>(5)</b>
<b>Current assets</b>				
Inventories	10	218	196	(10)
Trade receivables net	11	39	8	(79)
Other receivables		37	31	(16)
Given loans and deposits		344	166	(52)
Other current assets		98	56	(43)
Prepaid expenses and accrued income		38	52	37
Cash and cash equivalents		39	115	195
<b>Total current assets</b>		<b>812</b>	<b>623</b>	<b>(23)</b>
<b>Total assets</b>	<b>8</b>	<b>1,450</b>	<b>1,228</b>	<b>(15)</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital		550	550	0
Capital reserves		(0)	(0)	0
Other reserves		(0)	(0)	0
Retained earnings / (Deficit)		(177)	(177)	(0)
Current earnings / (Deficit)		0	265	n.a.
Non-controlling interests		0	0	0
<b>Total equity</b>		<b>373</b>	<b>638</b>	<b>71</b>
<b>Non-current liabilities</b>				
Long-term loans		182	95	(48)
Other non-current liabilities		0	0	0
Employee benefits provisions		12	11	(6)
Other provisions		9	10	4
<b>Total non-current liabilities</b>		<b>203</b>	<b>115</b>	<b>(43)</b>
<b>Current liabilities</b>				
Bank loans and other creditors		383	14	(96)
Trade payables	13	145	122	(16)
Taxes and contributions		20	7	(68)
Other current liabilities	14	68	36	(47)
Accruals and deferred income		233	278	20
Employee benefits obligation		24	17	(29)
<b>Total current liabilities</b>		<b>873</b>	<b>475</b>	<b>(46)</b>
<b>Total liabilities</b>	<b>12</b>	<b>1,077</b>	<b>590</b>	<b>(45)</b>
<b>Total equity and liabilities</b>		<b>1,450</b>	<b>1,228</b>	<b>(15)</b>



**Petrokemija, d.d. Unconsolidated Statement of Cash Flow**  
**For the period ended 31 December 2019 and 2020**  
**(HRK millions)**

HRK mln	Note	Q1-Q4 2019	Q1-Q4 2020	%
<b>Profit for the year</b>		<b>140</b>	<b>265</b>	<b>89</b>
<b>Adjustments for:</b>				
Depreciation and amortization		99	83	(16)
Gain on sale of property, plant, equipment and impairment		7	0	n.a.
Other finance expense/(income) recognized in profit		20	14	(32)
(Decrease)/increase in provisions		2	(0)	n.a.
Foreign exchange loss/(gain)		(2)	(4)	149
Other non-cash items		7	3	(60)
<b>Operating cash flow before working capital changes</b>	15	<b>273</b>	<b>359</b>	<b>32</b>
<b>Movements in working capital</b>	16	<b>(105)</b>	<b>28</b>	<b>n.a.</b>
Decrease/(increase) in inventories		63	23	(64)
Decrease/(increase) in receivables and prepayments		6	22	268
(Decrease)/increase in trade and other payables		(174)	(17)	(90)
<b>Cash generated from operations</b>		<b>168</b>	<b>387</b>	<b>131</b>
Interest expense (net)		(17)	(21)	25
<b>Net cash inflow from operating activities</b>		<b>151</b>	<b>366</b>	<b>143</b>
<b>Cash flows used in investing activities</b>				
Capital expenditures, exploration and development costs		(25)	(51)	106
Interest on loans, net		0	0	0
Investments and loans to third parties, net		1	(0)	n.a.
<b>Net cash used for investing activities</b>	17	<b>(23)</b>	<b>(51)</b>	<b>124</b>
<b>Cash flows from financing activities</b>				
Issuing of own and debt financial instruments		0	0	0
Repayment borrowings, net		(33)	(458)	1,274
Other financing activities		0	0	0
<b>Net cash used in financing activities</b>		<b>(33)</b>	<b>(458)</b>	<b>1,285</b>
Net (decrease)/increase in cash and cash equivalents		95	(143)	n.a.
At 1 January		385	481	25
Effect of foreign exchange rate changes		0	0	0
At the end of period		480	337	(30)

\*Cash equivalents include short-term deposits (under 3 months)



## Financial overview and notes

### STATEMENT OF PROFIT OR LOSS

Notes	2020 RESULTS <sup>(1)</sup>
1	<b>Total sales revenues</b> in Q1-Q4 2020 amounted to HRK 1,788 million and were 15% lower compared to Q1-Q4 2019, triggered mainly by lower sales prices and slightly lower sales quantities.
2	<b>Costs of raw materials, consumables and other material costs</b> were 23% lower than in Q1-Q4 2019, at HRK 1,074 million, mainly due to lower cost of natural gas, mono ammonium and diammonium phosphate.
3	In Q1-Q4 2020 provisions for staff payments and legal process amounted to HRK 3 million, while in Q1-Q4 2019 provisions for staff payments and for remediation of carbon black production amounted to HRK 4 million.
4	Other <b>operating costs</b> realized in Q1-Q4 2020 are under the level of Q1-Q4 2019, mainly because of lower cost for severance payments and lower cost for business travel.
5	<b>Depreciation</b> in the amount of HRK 83 million was 16% lower compared to Q1-Q4 2019.
6	<b>Staff costs</b> in the amount HRK 163 million were 8% lower compared to Q1-Q4 2019.
7	<b>Net result from financial activities</b> is negative in Q1-Q4 2020 and amounts to HRK 21 million which is lower compared to Q1-Q4 2019 loss in the amount of HRK 26 million.
	- Net foreign exchange loss was HRK 4 million in Q1-Q4 2020, while in Q1-Q4 2019 loss amounted to HRK 2 mln
	- Net interest payable amounted to HRK 14 million in Q1-Q4 2020, while net interest payable in Q1-Q4 2019 amounted to HRK 20 mln.
	- Other negative items amounted to HRK 3 million in Q1-Q4 2020, while in Q1-Q4 2019 other items amounted to HRK 4 mln.

### STATEMENT OF FINANCIAL POSITION

Notes	
8	As at 31 <sup>st</sup> December 2020 Petrokemija d.d. <b>total assets</b> amounted to HRK 1,228 million, 15% lower compared to 31 <sup>st</sup> December 2019.
9	In the period ended 31 <sup>st</sup> December 2020, Petrokemija invested HRK 55 million in <b>property, plant and equipment</b> . The effect of depreciation reduced net book value of property, plant and equipment to amount of HRK 582 million.
10	<b>Inventories</b> amounted to HRK 196 million, and have decreased by 10% compared to 31 <sup>st</sup> December 2019.
11	<b>Trade receivables</b> decreased to HRK 8 million.
12	As at 31 <sup>st</sup> December 2020 <b>total liabilities</b> amounted to HRK 590 million which is 45% or HRK 487 million lower compared to 31 <sup>st</sup> December 2019. Petrokemija <b>net debt</b> <sup>(2)</sup> decreased by 75% compared to 31 <sup>st</sup> December 2019 and amounted to HRK 99 million. <b>Gearing ratio</b> decreased from 52% as at 31 <sup>st</sup> December 2019, to 13% as at 31 <sup>st</sup> December 2020.
13	<b>Trade payables</b> decreased by 16% to HRK 122 million, as a result of lower liabilities for raw materials and consumables.
14	<b>Other current liabilities</b> decreased by 47% to HRK 36 million, out of which liabilities for advance payments decreased from HRK 57 million to HRK 27 million.

### CASH FLOW

Notes	
15	The <b>operating cash-flow before changes in working capital</b> amounted to HRK 359 million in Q1-Q4 2020 representing an increase of HRK 86 million compared to Q1-Q4 2019, which is in line with the change in EBITDA performance compared to the previous year.
16	<b>Changes in working capital</b> affected the operating cash flow positively by HRK 28 million in Q1-Q4 2020, due to: <ul style="list-style-type: none"> <li>- decrease value of inventories by HRK 23 million</li> <li>- decrease in receivables by HRK 22 million</li> <li>- decrease in trade and other payables by HRK 17 million as a result of lower liabilities for raw materials and consumables</li> </ul>
17	<b>Net outflows from investing activities</b> amounted to HRK 51 million, which is by HRK 28 million higher compared to Q1-Q4 2019.

#### Restatement

<sup>(1)</sup> At the end of 2019, Petrokemija adjusted its accounting policy for the treatment of greenhouse gas emission allowances and related items of assets and liabilities, adopting the gross presentation principle. According to the new policy and a gross basis presentation, obligation to buy emission allowances are reported separately from the amount of purchased allowances that are on standby at the reporting date, which is shown as short-term assets. Furthermore, changes in the unit prices of emission units are recorded in the Profit and Loss account within operating costs while previously shown within the financial costs.

<sup>(2)</sup> Petrokemija adjusted in 2019 its Net debt methodology to better align the reporting to standard of company owners and other listed companies, with Net debt now being calculated as Long and short term financial loans + Liabilities for received advances + Accruals + Provisions – Cash and cash equivalents – Given loans and deposits – Other financial assets.



## Special items in EBITDA, operating and net profit

In addition to international accounting standards, international reporting standards and regulatory requests the company discloses special items to achieve a higher level of transparency and to provide better understanding of the usual business operations. Business events not occurring regularly and having significant effect on operations and results are considered as special items. Furthermore, in accordance with the adopted accounting policies and IFRS 36 – Impairment of Assets, Petrokemija d.d. performs impairment testing at the end of each reporting period if impairment indicators are assessed to be significant.

In 2020 EBITDA, operating and net profit were negatively impacted by HRK 24 mln of special items related to the value adjustment of liabilities for CO2 emission charges and HRK 1 mln for severance payments, in 2019 EBITDA, operating and net profit were negatively impacted by HRK 2 mln value adjustment of liabilities for CO2 emission charges and HRK 66 mln for severance payments.

## Financial instruments and risks

Risks are described in detail in audited Petrokemija d.d. Financial Statements for the year ended on 31<sup>st</sup> of December 2019.

As of 31<sup>th</sup> December 2020 Petrokemija, had credit debt of HRK 108 million, out of which HRK 14 million is related to short-term debt toward banks and HRK 94 million is related to long term debt toward banks.

## Management representation

Petrokemija financial statements for Q1-Q4 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS), i.e. they present fairly, in all material aspects, the financial position of the company, results of its operations and cash flows.

Mr. Goran Pleše's mandate as Management Board member ceased on December 31<sup>st</sup> of 2019. Mr. Juraj Kojundžić, has been appointed member of the Management Board in charge of finance as of January 1<sup>st</sup>, 2020.

Mr. Željko Marić's mandate as Management Board member ceased on December 2<sup>nd</sup> of 2020. Mr. Krešimir Rendeli, has been appointed member of the Management Board in charge of production as of December 3<sup>rd</sup>, 2020.

Management Board:

<b>Davor Žmegač</b>	<b>President</b>
<b>Juraj Kojundžić</b>	<b>Member</b>
<b>Krešimir Rendeli</b>	<b>Member</b>
<b>Peter Suba</b>	<b>Member</b>