

Annex 1**ISSUER'S GENERAL DATA**

Reporting period:

1.1.2021

to

31.12.2021

Year:

2021

Quarter:

4

Quarterly financial statements

Registration number (MB):

03674223

Issuer's home Member

State code:

REPUBLIC OF CROATIA

Entity's registration
number (MBS):

080004355

Personal identification
number (OIB):

24503685008

LEI:

74780000U0FHQRSAX069

Institution
code:

1141

Name of the issuer: PETROKEMIJA, Plc.

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

1201

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: PEROŠEVIĆ-GALOVIĆ ANTONIJA

(only name and surname of the contact person)

Telephone: 044-647-801

E-mail address: antonija.galovic@petrokemija.hr

Audit firm: KPMG Croatia, Ltd.

(name of the audit firm)

Certified auditor: Igor Gošek

(name and surname)

BALANCE SHEET
balance as at 31.12.2021

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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	604.841.172	643.234.468
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.265.670	10.534.415
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.265.670	4.384.040
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	6.150.375
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	582.434.964	609.652.092
1 Land	011	43.947.414	43.288.444
2 Buildings	012	160.849.193	147.493.128
3 Plant and equipment	013	329.950.296	353.623.202
4 Tools, working inventory and transportation assets	014	13.619.833	11.670.866
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	6.632	4.046.026
7 Tangible assets in preparation	017	33.598.964	49.067.866
8 Other tangible assets	018	462.632	462.560
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	20.972.557	18.686.403
1 Investments in holdings (shares) of undertakings within the group	021	20.091.392	18.095.551
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	870.939	580.626
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	10.226	10.226
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	167.981	4.361.558
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	167.981	4.361.558
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	571.544.894	363.363.537
I INVENTORIES (ADP 039 to 045)	038	195.534.974	182.355.635
1 Raw materials and consumables	039	92.521.254	133.914.767
2 Work in progress	040	13.026.465	13.724.128
3 Finished goods	041	84.761.269	30.797.478
4 Merchandise	042	1.082.897	3.377.530
5 Advances for inventories	043	4.143.089	541.732
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	39.125.148	113.195.553
1 Receivables from undertakings within the group	047	845.597	2.160.081
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	8.256.415	19.198.199
4 Receivables from employees and members of the undertaking	050	21.157	19.766
5 Receivables from government and other institutions	051	28.673.569	86.109.750
6 Other receivables	052	1.328.410	5.707.757
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	222.316.582	4.231.786
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	997.679	3.731.786
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	165.298.078	500.000
9 Other financial assets	062	56.020.825	0
IV CASH AT BANK AND IN HAND	063	114.568.190	63.580.563
D) PREPAID EXPENSES AND ACCRUED INCOME	064	51.778.891	589.234.179
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.228.164.957	1.595.832.184
OFF-BALANCE SHEET ITEMS	066	435.126.367	665.325.697
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	638.052.007	632.409.165
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	4.392.374
1 Legal reserves	071	0	4.406.454
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 AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. 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
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	-176.871.993	83.722.623
1 Retained profit	084	0	83.722.623
2 Loss brought forward	085	176.871.993	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	265.001.070	-5.642.842
1 Profit for the business year	087	265.001.070	0
2 Loss for the business year	088	0	5.642.842
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	20.805.504	21.049.686
1 Provisions for pensions, termination benefits and similar obligations	091	10.941.378	11.257.453
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	1.064.126	992.233
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	8.800.000	8.800.000
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	94.504.547	79.301.115
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	93.657.975	79.137.026
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	846.572	164.089
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	196.392.053	369.715.666
1 Liabilities to undertakings within the group	110	634.231	285.847
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	14.313.305	154.275.848
7 Liabilities for advance payments	116	27.491.090	52.653.079
8 Liabilities to suppliers	117	121.887.071	140.342.430
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	17.224.769	9.525.467
11 Taxes, contributions and similar liabilities	120	6.545.056	4.520.141
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	8.296.531	8.112.854
E) ACCRUALS AND DEFERRED INCOME	124	278.410.846	493.356.552
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1.228.164.957	1.595.832.184
G) OFF-BALANCE SHEET ITEMS	126	435.126.367	665.325.697

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2021 to 31.12.2021

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
I OPERATING INCOME (ADP 002 to 006)	001	1.801.674.707	390.717.557	2.176.727.146	669.039.910
1 Income from sales with undertakings within the group	002	5.499.300	1.181.838	15.071.093	5.358.479
2 Income from sales (outside group)	003	1.782.557.158	382.857.498	2.132.710.172	654.503.696
3 Income from the use of own products, goods and services	004	4.573.635	1.934.093	13.563.127	676.905
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	9.044.614	4.744.128	15.382.754	8.500.830
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	1.515.970.412	435.026.973	2.179.206.562	690.636.250
1 Changes in inventories of work in progress and finished goods	008	371.422	-27.823.513	57.182.886	59.380.673
2 Material costs (ADP 010 to 012)	009	1.093.821.725	316.462.273	1.813.970.280	575.094.564
a) Costs of raw materials and consumables	010	1.023.752.032	306.152.307	1.681.711.877	504.968.240
b) Costs of goods sold	011	19.708.869	1.141.676	88.932.338	60.551.394
c) Other external costs	012	50.360.824	9.168.290	43.326.065	9.574.930
3 Staff costs (ADP 014 to 016)	013	163.273.710	41.901.755	160.345.439	40.176.567
a) Net salaries and wages	014	103.748.696	26.779.975	102.868.436	25.981.682
b) Tax and contributions from salary costs	015	37.322.928	9.442.690	35.871.229	8.793.776
c) Contributions on salaries	016	22.202.086	5.679.090	21.605.774	5.401.109
4 Depreciation	017	82.620.011	19.806.706	93.115.815	23.699.071
5 Other costs	018	156.055.693	64.861.812	41.422.107	-19.617.893
6 Value adjustments (ADP 020+021)	019	16.819.014	16.809.103	9.518.397	8.382.753
a) fixed assets other than financial assets	020	24.440	23.907	3.670.866	2.545.882
b) current assets other than financial assets	021	16.794.574	16.785.196	5.847.531	5.836.871
7 Provisions (ADP 023 to 028)	022	3.008.837	3.008.837	3.651.638	3.520.515
a) Provisions for pensions, termination benefits and similar obligations	023	183.664	183.664	781.502	781.502
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	131.123	131.123
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	2.825.173	2.825.173	2.739.013	2.607.890
8 Other operating expenses	029	0	0	0	0
III FINANCIAL INCOME (ADP 031 to 040)	030	3.696.102	54.439	6.319.075	842.093
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	873.002	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	53.244	14.263	77.928	28.685
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	46.137	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	304.790	43.695	45.149	5.323
8 Exchange rate differences and other financial income	038	2.877.009	-79.526	5.225.669	804.312
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	461.059	76.007	51.190	3.773
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	24.399.327	5.549.778	9.482.500	3.649.342
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	14.043.916	1.723.218	5.339.478	1.249.929
4 Exchange rate differences and other expenses	045	7.205.496	1.072.475	2.384.502	662.681
5 Unrealised losses (expenses) from financial assets	046	2.754.085	2.754.085	1.736.732	1.736.732
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	395.830	0	21.788	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	1.805.370.809	390.771.996	2.183.046.221	669.882.003
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	1.540.369.739	440.576.751	2.188.689.062	694.285.592
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	265.001.070	-49.804.755	-5.642.841	-24.403.589
1 Pre-tax profit (ADP 053-054)	056	265.001.070	0	0	0
2 Pre-tax loss (ADP 054-053)	057	0	-49.804.755	-5.642.841	-24.403.589
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	265.001.070	-49.804.755	-5.642.841	-24.403.589

1 Profit for the period (ADP 055-059)	060	265.001.070	0	0	0
2 Loss for the period (ADP 059-055)	061	0	-49.804.755	-5.642.841	-24.403.589
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	265.001.070	-49.804.755	-5.642.842	-24.403.589
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	265.001.070	-49.804.755	-5.642.842	-24.403.589
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 1.1.2021 . to 31.12.2021.

in HRK

Submitter: Petrokemija d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	265.001.070	-5.642.842
2 Adjustments (ADP 003 to 010):	002	94.415.966	103.851.657
a) Depreciation	003	82.620.011	93.115.815
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	-1.306.298
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	2.008.140
d) Interest and dividend income	006	-358.034	-996.078
e) Interest expenses	007	14.043.916	5.361.266
f) Provisions	008	-319.151	912.625
g) Exchange rate differences (unrealised)	009	-4.328.487	-915.957
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	2.757.711	5.672.144
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	359.417.036	98.208.815
3 Changes in the working capital (ADP 013 to 016)	012	27.872.874	-360.463.419
a) Increase or decrease in short-term liabilities	013	-16.619.960	38.449.619
b) Increase or decrease in short-term receivables	014	21.834.827	-406.420.233
c) Increase or decrease in inventories	015	22.658.007	7.507.195
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	387.289.910	-262.254.604
4 Interest paid	018	-21.049.049	-5.510.525
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	366.240.861	-267.765.129
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	462.553	4.977.163
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	216.023	123.076
4 Dividends received	024	0	873.002
5 Cash receipts from repayment of loans and deposits	025	0	656.206
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	678.576	6.629.447
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-51.039.803	-133.272.553
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-870.939	-3.100.000
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-51.910.742	-136.372.553
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-51.232.166	-129.743.106
Cash flow from financing activities			
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	670.637.215
4 Other cash receipts from financing activities	038	461.058	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	461.058	670.637.215
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-458.171.203	-544.935.510
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	-395.830	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-458.567.033	-544.935.510
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-458.105.975	125.701.705
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-143.097.280	-271.806.530
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	480.579.731	335.887.093
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	337.482.451	64.080.563

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2021 to 31.12.2021

Item	ADP coin	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserve for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Attributable to owners of the parent							Total attributable to owners of the parent	Minority non-controlling interest	Total capital and reserves	
									Revaluation reserves	Financial assets through other comprehensive income (available for sale)	Cash flow hedge effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward				Profits/loss for the business year
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 to 19 - 7 to 10	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	0	0	-317.273.001	140.401.028	373.059.227	0	373.059.227
2 Change in accounting policies	02	0	0	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	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	0	0	-317.273.001	140.401.028	373.059.227	0	373.059.227
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265.001.070	0	265.001.070	
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	0	
7 Change 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	0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	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	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	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	0	
12 Actual gains/losses on the defined benefit obligation	12	0	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	0	
14 Tax on transactions recognized directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinstatement of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Decrease in initial (subscribed) capital arising from the reinstatement of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Reclamation of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Payment of shares in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Transfer to reserves according to the annual accounts	22	0	0	0	0	0	0	0	0	0	0	0	0	0	140.401.028	-140.401.028	0	0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	0	0	-176.871.983	265.001.070	638.052.007	0	638.052.007
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that show up financial statements in accordance with the BFR)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 05 to 14)																			
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05-25)																			
26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265.001.070	0	265.001.070	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)																			
27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	140.401.028	-140.401.028	0	0
Current period																			
1 Balance on the first day of the current business year	28	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	0	0	-176.871.983	265.001.070	638.052.007	0	638.052.007
2 Change in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	0	0	-176.871.983	265.001.070	638.052.007	0	638.052.007
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-5.842.842	-5.842.842	0	-5.842.842
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 Change in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	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	36	0	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	37	0	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	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actual gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognized directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinstatement of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease 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	0	
17 Decrease in initial (subscribed) capital arising from the reinstatement of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Reclamation of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Payment of shares in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Continuation per annual plans	49	0	0	4.408.404	0	0	0	0	0	0	0	0	0	0	260.594.616	-260.594.616	0	0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	550.287.010	-350.000	4.408.404	0	14.080	0	0	0	0	0	0	0	0	83.127.023	-5.842.842	632.409.165	0	632.409.165
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that show up financial statements in accordance with the BFR)																			
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 32 to 41)																			
52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 50)																			
53	0	0	0	4.408.404	0	0	0	0	0	0	0	0	0	0	0	-5.842.842	-5.842.842	0	-5.842.842
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)																			
54	0	0	0	4.408.404	0	0	0	0	0	0	0	0	0	0	0	260.594.616	-260.594.616	0	0

NOTES TO FINANCIAL STATEMENTS - TFI

Name of the issuer:: PETROKEMIJA, Plc

Personal identification number (OIB): 24503685008

Reporting period: 1.1.2021. do 31.12.2021.

Notes to financial statements for quarterly periods include:

a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)

All business events relevant to the reporting period 1-12.2021 are described in the Statement accompanying the notes.

b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period

The 2020 audited annual financial statements and the Q1-Q4 2021 unaudited quarterly financial statements are available at

c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)

In Q4 2021, the accounting policy related to the value adjustment of inventories was changed. Based on this policy, the inventories of spare parts that have a useful life longer than two years are considered noncurrent if they have no turnover for three years, and are written off gradually (30% in the 1st and 2nd year, 40% in the 3rd year). Prior to this change, all inventories of spare parts that had no turnover for two years were written off at 100%.

d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)

This is not applicable to the financial statements of Petrokemija Group and Petrokemija Plc.

e) other comments prescribed by IAS 34 - Interim financial reporting

All business events relevant to the reporting period 1-12.2021 are described in the Statement accompanying the notes.

f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration

Name: PETROKEMIJA, d.d.

Registered office (address): Aleja Vukovar 4, 44320 Kutina

Legal form: Public Limited Company

Country of establishment: Republic of Croatia

Registration number (MB): 03674223

Personal identification number (OIB): 24503685008

2. adopted accounting policies (only an indication of whether there has been a change from the previous period)

There was one change in the accounting policies since the previous period.

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately

The total value of debt securities (debentures, bills of exchange, guarantees) under contracts issued to third parties amounts to about HRK 1.402,24 million, which is the maximum exposure of the Group. Based on the expectations at the end of the reporting period, it is considered that the Group does not expect any increase in liabilities. Contractual maturity is based on the earliest date on which the Group may be required to settle the debt.

4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence

Individual items of income or expenditure which are of exceptional size or incidence, such as sales revenue, the cost of raw material and supplies, depreciation, staff costs and other expenses are shown in the Statement accompanying the notes (Notes 1-6).

5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security

As at 31 December 2021, Petrokemija Plc has 2 long-term loans totalling HRK 93,4 million. The loans concerned are maturing after more than five years and they are collateralized with a pledge of real estate and a pledge of shares of the companies owned by the Republic of Croatia, in the amount of the debt.

6. average number of employees during the financial year

During the current period the average number of employees in Petrokemija Plc was 1,237 and in Petrokemija Group 1,383.

7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries

Capitalised internal labour represents all hours of work that can be properly allocated to the construction, alteration or installation of certain items of capital assets. The items, as such, are depreciated. In 2021, Petrokemija Plc capitalised internal labour in the amount of HRK 3,9 million.

8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year

Petrokemija Plc has no recognised provisions for deferred tax, whereas Petrokemija Group has deferred tax assets in the amount of HRK 134,000.00.

9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking

Luka Šibenik d.o.o., Šibenik, participating interest held by Petrokemija Plc is 79.72%, the proportion of the capital held by Petrokemija Plc is HRK 3,975,958, total capital and reserves amount to HRK 4,987,402, the loss of Luka Šibenik for 2021 amounts to HRK 4,373,515.

Tvornica gline Kutina d.o.o., Kutina, participating interest held by Petrokemija Plc is 100%, the proportion of the capital held by Petrokemija Plc is HRK 11,860,591, total capital and reserves amount to HRK 40,285,722, the profit of Tvornica gline Kutina for 2021 amounts to HRK 342,263.

Tvornica paleta Kutina d.o.o., Kutina, participating interest held by Petrokemija Plc is 100%, the proportion of the capital held by Petrokemija Plc is HRK 2,259,002, total capital and reserves amount to HRK 6,181,724, the loss of Tvornica paleta amounts to HRK 391,559.

10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital

Shareholders' equity of Petrokemija Plc consists of 55,028,701 ordinary shares with a nominal value of HRK 10 per share.

11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer

This is not applicable to the financial statements of Petrokemija Group and Petrokemija Plc.

12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability

Luka Šibenik d.o.o., Obala hrvatske mornarice 4, Šibenik

Tvornica gline Kutina d.o.o., Vinkovačka ulica 1c, Kutina

Tvornica paleta Kutina d.o.o., Gojilac 1, Gojlo, Kutina

13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member

This is not applicable to the quarterly financial statements of Petrokemija Group.

14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13

This is not applicable to the quarterly financial statements of Petrokemija Group.

15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available

This is not applicable to the quarterly financial statements of Petrokemija Group.

16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking

This is not applicable to the quarterly financial statements of Petrokemija Group.

17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet

There were no material events arising after the balance sheet date of 31 December 2021.



Petrokemija d.d. (ZB: PTKM-R-A; petrokemija.hr) announced its Q4/Q1-Q4 2021 results today. This report contains unaudited financial statements for the period ending on 31st of December 2021 as prepared by the management in accordance with the International Financial Reporting Standards.

Petrokemija d.d. financial results (IFRS) ⁽¹⁾

Q4 2020	Q4 2021	HRK mln	Q1-Q4 2020	Q1-Q4 2021	%
384	660	Sales revenues	1,788	2,148	20
(25)	2	EBITDA ⁽²⁾	368	91	(75)
(4)	2	EBITDA excl. special items ⁽³⁾	394	143	(64)
(44)	(22)	Profit/(loss) from operations	286	(2)	n.a.
(24)	(21)	Operating profit excl. special items ⁽³⁾	311	50	(84)
(5)	(3)	Net result from financial activities	(21)	(3)	(85)
(50)	(24)	Net profit/loss	265	(6)	n.a.
(30)	(24)	Net profit/loss for the period excl. special items ⁽³⁾	290	47	(84)
(31)	(40)	Simplified Free Cash Flow ⁽⁴⁾	338	10	(97)
47	144	Net debt ⁽⁵⁾	47	144	206
7	19	Net gearing (%) ⁽⁶⁾	7	19	168
27	42	CAPEX	55	133	141

Q4 2020	Q4 2021	EUR mln ⁽⁷⁾	Q1-Q4 2020	Q1-Q4 2021	%
51	88	Sales revenues	238	285	20
(3)	0	EBITDA ⁽²⁾	49	12	(75)
(1)	0	EBITDA excl. special items ⁽³⁾	52	19	(64)
(6)	(3)	Profit/(loss) from operations	38	(0)	n.a.
(3)	(3)	Operating profit excl. special items ⁽³⁾	41	7	(84)
(1)	(0)	Net result from financial activities	(3)	(0)	(85)
(7)	(3)	Net profit/loss	35	(1)	n.a.
(4)	(3)	Net profit/loss for the period excl. special items ⁽³⁾	39	6	(84)
(4)	(5)	Simplified Free Cash Flow ⁽⁴⁾	45	1	(97)
6	19	Net debt ⁽⁵⁾	6	19	208
7	19	Net gearing (%) ⁽⁶⁾	7	19	168
4	6	CAPEX	7	18	141

⁽¹⁾ Percentage change in the tables cannot be calculated using indicated rounded numbers from the table

⁽²⁾ EBITDA = EBIT + Depreciation and amortization

⁽³⁾ EBITDA, operating and net profit were negatively impacted by special items related to the value adjustment of liabilities for CO2 emission charges: in Q1-Q4 2021 – HRK 50 million; Q1-Q4 2020 – HRK 24 million; and negatively impacted by severance payments: in Q1-Q4 2021 – HRK 2 million; Q1-Q4 2020 – HRK 1 million.

⁽⁴⁾ Simplified free cash flow = EBITDA excluding special items - capital expenditures

⁽⁵⁾ 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 – Prepaid expenses and accrued income; restatement of previous periods – explanation on page 6

⁽⁶⁾ Net gearing = Net debt / (net debt plus equity)

⁽⁷⁾ In converting HRK figures into EUR, the following average CNB (HNB) rates were used: for Q1-Q4 2020 – 7.53 HRK/EUR; Q1-Q4 2021 – 7.52 HRK/EUR; as at December 31st 2020 – 7.54 HRK/EUR; as at December 31st, 2021 – 7.52 HRK/EUR

In 2021 EBITDA excluding special items amounted to HRK 143 mln, decreasing compared to 2020, mainly due to significantly higher natural gas price, higher CO2 prices, lower production due to planned turnaround and somewhat lower market demand, especially during Q4 2021.

Petrokemija production was lower due to turnaround in Q1 2021 and shutdowns in June, September and December, resulting with lower total fertilizers sales. Despite lower quantities sold, sales revenue increased by 20% due to increase of mineral fertilizers sales prices, partially offsetting the increase of natural gas price in Europe.

During Q1 2021, the turnaround of the production plants was completed which included the Ammonia, UREA, Water Processing, Power Plant, Sulphuric Acid, DEE, PEPI, KAN 1, AN/KAN 2 and NPK 1 plants. This turnaround also included the implementation of investments aimed at energy efficiency development, the most significant being a new combustion air preheater installed at the Ammonia plant, worth HRK 22 mln. CAPEX in 2021 amounts to HRK 133 mln which is an increase by 141% compared to the same period last year.

Devastating earthquakes hitting Sisak-Moslavina County, had a direct impact on the city of Kutina and Petrokemija's industrial plants, repair efforts are underway also during Q4 2021. In view of the foregoing, Petrokemija temporarily discontinued ammonium nitrate production until the end of 2021, ensuring the safety of the workers and the technological system itself. This circumstance does not have a significant impact on the Company's business operation.



Management discussion

Production and sales

Q4 2020	Q4 2021	Fertilizers production (kt)	Q1-Q4 2020	Q1-Q4 2021	%
267	102	Fertilizers	1,113	700	(37)
Q4 2020	Q4 2021	Fertilizers sales (kt)	Q1-Q4 2020	Q1-Q4 2021	%
99	49	Domestic market	373	309	(17)
145	82	Export	714	468	(34)
244	132	Total fertilizers sales (kt)	1.087	777	(28)

Main external parameters

Q4 2020	Q4 2021		Q1-Q4 2020	Q1-Q4 2021	%
13.81	95.11	Natural gas price* (EUR/MWh)	9.98	46.48	366
32.04	79.61	CO2 European Emission Allowances-EUA** (EUR/unit)	32.04	79.61	148
6.34	6.57	HRK/USD average	6.70	6.36	(5)
6.14	6.64	HRK/USD closing	6.45	6.64	3
7.55	7.51	HRK/EUR average	7.53	7.52	(0)
7.54	7.52	HRK/EUR closing	7.54	7.52	(0)

*CEGH market data – period average

** EEX market data – period closing

Performance 2021 vs. 2020

KEY DRIVERS

- Sales volume lower both on domestic market (17%) and export markets (34%)
- Significantly higher natural gas price as a result of higher gas prices in European markets (366%)
- Total production was lower (37%) compared to 2020, caused by production downtime due to the turnaround and planned plant shutdowns in June, September and December which were made in order to perform required maintenance and optimize production in line with external environment and market demand
- Significant price increase (148%) of CO2 Emissions allowances (EUA) due to new EU directive under which CO2 emissions must be further reduced

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

Petrokemija d.d. performance in 2021 is impacted by disturbances in world economy leading to unforeseen increase of natural gas price to historically high level. Non-favourable external environment is manifested in high prices of natural gas and CO2 European emission allowances, while fertilizer prices increase but at a lower rate with delay. With pressure from the external environment, devastating earthquakes hitting Sisak-Moslavina County had an additional negative effect on the production.

Negative impacts are partially mitigated by implemented efficiency measures and production shutdowns with aim to optimize production in line with market demand. Despite the fact that 2021 was unpredictable and challenging year, Petrokemija was able to keep its financial position stable.

In 2021 Petrokemija d.d. achieved HRK 6 mln net loss compared to HRK 265 mln net profit in the same period last year. Considering the result without special items, net profit for 2021 amounted to HRK 47 mln as opposed to HRK 290 mln net profit in 2020. Special items had a significant impact, HRK 52 mln in 2021 and HRK 25 mln in 2020. Negative effect of value adjustment of liabilities for CO2 emission charges in 2021 and 2020 is caused by significantly higher price of CO2 European emission allowances.

At the beginning of 2021 the turnaround was successful realized and the restart of the plant proceeded in the first half of February. The turnaround also included development investments related to production energy efficiency. CAPEX in 2021 amounts to HRK 133 mln which is an increase by 141% compared to the same period last year.

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 2020 and 2021
(HRK millions)

Q4 2020	Q4 2021	HRK mln	Note	Q1-Q4 2020	Q1-Q4 2021	%
384	660	Sales revenue	1	1,788	2,148	20
2	1	Income from own consumption of products and services		5	14	197
5	9	Other operating income		9	15	70
391	669	Total operating income		1,802	2,177	21
(28)	59	Inventory change of finished prod. and work in progress		0	57	n.a.
306	505	Cost of raw materials and consumables	2	1,024	1,682	64
20	24	Depreciation and amortization	5	83	93	13
9	10	Other material costs	2	50	43	(14)
42	40	Staff costs	6	163	160	(2)
1	61	Cost of other goods sold		20	89	351
65	(20)	Other costs	4	156	41	(73)
17	8	Impairment and charges		17	10	(43)
3	4	Provisions for charges and risks	3	3	4	21
435	691	Operating expenses		1,516	2,179	44
(44)	(22)	Profit/(Loss) from operations		286	(2)	n.a.
0	1	Finance income		4	6	71
6	4	Finance costs		24	9	(61)
(5)	(3)	Net (loss) / profit from financial activities	7	(21)	(3)	(85)
(50)	(24)	Profit/(Loss) for the year		265	(6)	n.a.



Petrokemija. d.d. Unconsolidated Statement of Financial Position
At 31 December 2020 and 31 December 2021
(HRK millions)

HRK mln	Note	31 Dec 2020	31 Dec 2021	%
Assets				
Non-current assets				
Intangible assets		1	11	732
Property, plant and equipment	9	582	610	5
Investment in subsidiaries		20	18	(10)
Other investments		0	0	0
Long-term receivables		1	5	376
Deferred tax		0	0	0
Total non-current assets		605	643	6
Current assets				
Inventories	10	196	182	(7)
Trade receivables net	11	8	19	133
Other receivables		31	94	205
Given loans and deposits		166	4	(97)
Other current assets		56	0	n.a.
Prepaid expenses and accrued income		52	589	1,038
Cash and cash equivalents		115	64	(45)
Total current assets		623	953	53
Total assets	8	1,228	1,596	30
Equity and liabilities				
Capital and reserves				
Share capital		550	550	0
Capital reserves		(0)	(0)	0
Other reserves		(0)	4	n.a.
Retained earnings / (Deficit)		(177)	84	n.a.
Current earnings / (Deficit)		265	(6)	n.a.
Non-controlling interests		0	0	0
Total equity		638	632	(1)
Non-current liabilities				
Long-term loans		95	79	(16)
Other non-current liabilities		0	0	0
Employee benefits provisions		11	11	3
Other provisions		10	10	(1)
Total non-current liabilities		115	100	(13)
Current liabilities				
Bank loans and other creditors		14	154	978
Trade payables	13	122	140	15
Taxes and contributions		7	5	(31)
Other current liabilities	14	36	61	68
Accruals and deferred income		278	493	77
Employee benefits obligation		17	10	(45)
Total current liabilities		475	863	82
Total liabilities	12	590	963	63
Total equity and liabilities		1,228	1,596	30



Petrokemija. d.d. Unconsolidated Statement of Cash Flow
For the period ended 31 December 2020 and 2021
(HRK millions)

HRK mln	Note	Q1-Q4 2020	Q1-Q4 2021	%
Profit for the year		265	(6)	n.a.
Adjustments for:				
Depreciation and amortization		83	93	13
Gain on sale of property, plant, equipment and impairment		0	1	n.a.
Other finance expense/(income) recognized in profit		14	4	(68)
(Decrease)/increase in provisions		(0)	1	n.a.
Foreign exchange loss/(gain)		(4)	(1)	(79)
Other non-cash items		3	6	106
Operating cash flow before working capital changes	15	359	98	(73)
Movements in working capital	16	28	(360)	n.a.
Decrease/(increase) in inventories		23	8	(67)
Decrease/(increase) in receivables and prepayments		22	(406)	n.a.
(Decrease)/increase in trade and other payables		(17)	38	n.a.
Cash generated from operations		387	(262)	n.a.
Interest expense (net)		(21)	(6)	(74)
Net cash inflow from operating activities		366	(268)	n.a.
Cash flows used in investing activities				
Capital expenditures, exploration and development costs		(51)	(133)	161
Interest on loans, net		0	0	0
Investments and loans to third parties, net		(0)	3	n.a.
Net cash used for investing activities	17	(51)	(130)	153
Cash flows from financing activities				
Issuing of own and debt financial instruments		0	0	0
Repayment borrowings, net		(458)	126	n.a.
Other financing activities		0	0	0
Net cash used in financing activities		(458)	126	n.a.
Net (decrease)/increase in cash and cash equivalents		(143)	(272)	90
At 1 January		481	336	(30)
Effect of foreign exchange rate changes		0	0	0
At the end of period		337	64	(81)

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



Financial overview and notes

STATEMENT OF PROFIT OR LOSS

Notes

2021 RESULTS

- 1 **Total sales revenues** in 2021 amounted to HRK 2,148 million and were 20% higher compared to 2020 triggered by higher sales prices.
- 2 **Costs of raw materials, consumables and other material costs** were 61% higher than in 2020 at HRK 1,725 million, mainly due to higher price of natural gas.
- 3 In 2021 provisions amounted HRK 4 million, while in 2020 provisions amounted to HRK 3 million.
- 4 Other **operating costs** realized in 2021 are below the level of 2020 due to of lower cost for CO2 charges connected with lower production; partially offset by negative effect of value adjustment of liabilities for CO2 emission charges.
- 5 **Depreciation** in the amount of HRK 93 million was 13% higher compared to 2020 due to turnaround investments in Q1 2021.
- 6 **Staff costs** in the amount of HRK 160 million were 2% lower compared to 2020.
- 7 **Net result from financial activities** is negative in 2021 and amounts to HRK 3 million, while in 2020 loss in the amount of HRK 21 million was made.
 - Net foreign exchange gain as HRK 3 million in 2021, while in 2020 loss amounted to HRK 4 mln.
 - Net interest payable amounted to HRK 5 million in 2021, while in 2020 they amounted to HRK 14 mln.
 - Other negative items amounted to HRK 1 milion in 2021, while in 2020 other items amounted to HRK 3 mln.

STATEMENT OF FINANCIAL POSITION

Notes

- 8 As at 31th December 2021 Petrokemija d.d. **total assets** amounted to HRK 1,596 million, 30% higher compared to 31st December 2020.
- 9 In the period ended 31th December 2021. Petrokemija invested HRK 133 million in **property, plant and equipment**. This effect increased net book value of property, plant and equipment to amount of HRK 610 million.
- 10 **Inventories** amounted to HRK 182 million, and have decreased by 7% compared to 31st December 2020.
- 11 **Trade receivables** increased to HRK 19 million.
- 12 As at 31th December 2021 **total liabilities** amounted to HRK 963 million which is 63% or HRK 373 million higher compared to 31st December 2020. Petrokemija **net debt**⁽¹⁾ amounts to HRK 144 million with **gearing ratio** of 19%, while at 31th December 2020 the **net debt** amounted to HRK 47 million with a **gearing ratio** of 7%.
- 13 **Trade payables** increased by 15% to HRK 140 million, as a result of higher liabilities for natural gas and raw materials.
- 14 **Other current liabilities** increased by 68% to HRK 61 million, out of which liabilities for advance payments increased from HRK 27 million to HRK 53 million.

CASH FLOW

Notes

- 15 The **operating cash-flow before changes in working capital** amounted to HRK 98 million in 2021 representing a decrease of HRK 261 million compared to 2020, which is in line with the change in EBITDA performance compared to the previous year.
- 16 **Changes in working capital** affected the operating cash flow negatively by HRK 360 million in 2021, due to:
 - decreasead value of inventories by HRK 8 million.
 - increase in receivables by HRK 406 million due to free CO2 Emissions allowances (EUA) allotted to the company.
 - increase in trade and other payables by HRK 38 million mainly as a result of higher liabilities for CO2 Emissions allowances (EUA).
- 17 **Net outflows from investing activities** amounted to HRK 130 million, which is by HRK 79 million higher compared to 2020.

Restatement

- (1) Petrokemija adjusted its Net debt methodology in Q1 2021 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 – Prepaid expenses and accrued income.



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.

EBITDA, operating and net profit were negatively impacted by special items related to the value adjustment of liabilities for CO2 emission charges: in 2021 – HRK 50 million; 2020 – HRK 24 million; and negatively impacted by severance payments: in 2021 – HRK 2 million; 2020 – HRK 1 million.

Financial instruments and risks

Risks are described in detail in audited Petrokemija d.d. Financial Statements for the year ended on 31st of December 2020.

As of 31th December 2021 Petrokemija had credit debt of HRK 233 million, out of which HRK 154 million is related to short-term debt and HRK 79 million is related to long term debt toward banks.

Changes in equity

HRK mln	Share capital	Capital reserves	Legal reserves	Own shares and stakes (deduction item)	Other reserves	Fair value reserves	(Accumulated losses) / Retained earnings	Attributable to equity holders of the parent	Non controlling interest	Total
Balance at 1 January 2020	550	0	0	0	0	0	(177)	373	0	373
Profit/(loss) for the period	0	0	0	0	0	0	265	265	0	265
Other comprehensive gain, net	0	0	0	0	0	0	0	0	0	0
Total comprehensive income/(loss) for the period	0	0	0	0	0	0	265	265	0	265
Transfer	0	0	0	0	0	0	0	0	0	0
Transfer to legal reserves from retained earnings	0	0	0	0	0	0	0	0	0	0
Dividend paid	0	0	0	0	0	0	0	0	0	0
Balance at 1 January 2021	550	0	0	0	0	0	88	638	0	638
Profit/(Loss) for the period	0	0	0	0	0	0	(6)	(6)	0	(6)
Transfer	0	0	0	0	0	0	0	0	0	0
Other comprehensive loss, net	0	0	0	0	0	0	0	0	0	0
Total comprehensive income/(loss) for the period	0	0	0	0	0	0	(6)	(6)	0	(6)
Transfer to legal reserves from retained earnings	0	0	4	0	0	0	(4)	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0
Balance at 31st December 2021	550	0	4	0	0	0	78	632	0	632



Management representation

Petrokemija financial statements for 2021 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. Juraj Kojundžić's mandate as Management Board member ceased on July 14th of 2021., Mr. Dalibor Sokolović has been appointed member of the Management Board in charge of finance as of July 15th 2021.

Management Board:

Davor Žmegač	President
Dalibor Sokolović	Member
Krešimir Rendeli	Member
Peter Suba	Member