

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2021

to

31.3.2021

Year:

2021

Quarter:

1

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:

1411

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

1229

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 31.3.2021

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	636.749.201
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.265.670	1.373.635
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.265.670	1.043.777
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	329.858
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	582.434.964	613.750.323
1 Land	011	43.947.414	43.947.414
2 Buildings	012	160.849.193	156.460.467
3 Plant and equipment	013	329.950.296	321.665.984
4 Tools, working inventory and transportation assets	014	13.619.833	12.497.868
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	6.632	0
7 Tangible assets in preparation	017	33.598.964	78.715.958
8 Other tangible assets	018	462.632	462.632
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	20.972.557	20.972.557
1 Investments in holdings (shares) of undertakings within the group	021	20.091.392	20.091.392
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	870.939
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	652.686
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	652.686
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	571.544.894	479.566.712
I INVENTORIES (ADP 039 to 045)	038	195.534.974	153.849.621
1 Raw materials and consumables	039	92.521.254	102.740.147
2 Work in progress	040	13.026.465	21.188.243
3 Finished goods	041	84.761.269	26.804.670
4 Merchandise	042	1.082.897	1.160.977
5 Advances for inventories	043	4.143.089	1.955.584
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	50.696.947
1 Receivables from undertakings within the group	047	845.597	939.213
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	8.256.415	18.013.026
4 Receivables from employees and members of the undertaking	050	21.157	17.611
5 Receivables from government and other institutions	051	28.673.569	29.358.432

6 Other receivables	052	1.328.410	2.368.665
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	222.316.582	189.892.850
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	873.260
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	150.500.000
9 Other financial assets	062	56.020.825	38.519.590
IV CASH AT BANK AND IN HAND	063	114.568.190	85.127.294
D) PREPAID EXPENSES AND ACCRUED INCOME	064	51.778.891	250.074.986
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.228.164.957	1.366.390.899
OFF-BALANCE SHEET ITEMS	066	435.126.367	431.959.428
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	638.052.007	659.032.288
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 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	88.129.077
1 Retained profit	084	0	265.001.070
2 Loss brought forward	085	176.871.993	176.871.993
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	265.001.070	20.980.281
1 Profit for the business year	087	265.001.070	20.980.281
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	20.805.504	20.696.503
1 Provisions for pensions, termination benefits and similar obligations	091	10.941.378	10.832.378
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	1.064.126	1.064.125
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	94.741.519
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	94.063.219
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	678.300
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	196.392.053	318.344.507
1 Liabilities to undertakings within the group	110	634.231	738.010
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	86.476.518
7 Liabilities for advance payments	116	27.491.090	18.178.869
8 Liabilities to suppliers	117	121.887.071	189.639.719
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	17.224.769	9.597.821
11 Taxes, contributions and similar liabilities	120	6.545.056	5.468.735
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	8.244.835
E) ACCRUALS AND DEFERRED INCOME	124	278.410.846	273.576.082
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1.228.164.957	1.366.390.899
G) OFF-BALANCE SHEET ITEMS	126	435.126.367	431.959.428

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2021 to 31.3.2021

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	559.640.999	559.640.999	500.515.562	500.515.562
1 Income from sales with undertakings within the group	002	1.921.045	1.921.045	2.022.752	2.022.752
2 Income from sales (outside group)	003	557.016.215	557.016.215	484.363.346	484.363.346
3 Income from the use of own products, goods and services	004	227.478	227.478	11.145.222	11.145.222
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	476.261	476.261	2.984.242	2.984.242
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	402.818.600	402.818.600	478.901.043	478.901.043
1 Changes in inventories of work in progress and finished goods	008	37.224.669	37.224.669	49.794.821	49.794.821
2 Material costs (ADP 010 to 012)	009	298.143.465	298.143.465	281.631.195	281.631.195
a) Costs of raw materials and consumables	010	288.134.012	288.134.012	272.650.844	272.650.844
b) Costs of goods sold	011	561.786	561.786	1.737.747	1.737.747
c) Other external costs	012	9.447.667	9.447.667	7.242.604	7.242.604
3 Staff costs (ADP 014 to 016)	013	39.118.658	39.118.658	40.232.856	40.232.856
a) Net salaries and wages	014	24.883.071	24.883.071	25.771.087	25.771.087
b) Tax and contributions from salary costs	015	8.880.398	8.880.398	9.032.367	9.032.367
c) Contributions on salaries	016	5.355.189	5.355.189	5.429.402	5.429.402
4 Depreciation	017	21.840.806	21.840.806	20.392.770	20.392.770
5 Other costs	018	6.490.977	6.490.977	86.848.154	86.848.154
6 Value adjustments (ADP 020+021)	019	25	25	1.247	1.247
a) fixed assets other than financial assets	020	24	24	0	0
b) current assets other than financial assets	021	1	1	1.247	1.247
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
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	0	0	0	0
8 Other operating expenses	029	0	0	0	0
III FINANCIAL INCOME (ADP 031 to 040)	030	1.917.797	1.917.797	1.711.350	1.711.350
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	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	6.610	6.610	13.516	13.516
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	67.176	67.176	16.166	16.166
8 Exchange rate differences and other financial income	038	1.764.459	1.764.459	1.663.242	1.663.242
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	79.552	79.552	18.426	18.426
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	8.736.949	8.736.949	2.345.588	2.345.588
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	4.864.953	4.864.953	1.436.663	1.436.663
4 Exchange rate differences and other expenses	045	3.476.166	3.476.166	887.137	887.137
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	395.830	395.830	21.788	21.788
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	561.558.796	561.558.796	502.226.912	502.226.912
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	411.555.549	411.555.549	481.246.631	481.246.631
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	150.003.247	150.003.247	20.980.281	20.980.281
1 Pre-tax profit (ADP 053-054)	056	150.003.247	150.003.247	20.980.281	20.980.281
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	150.003.247	150.003.247	20.980.281	20.980.281

1 Profit for the period (ADP 055-059)	060	150.003.247	150.003.247	20.980.281	20.980.281
2 Loss for the period (ADP 059-055)	061	0	0	0	0
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				
2 Discontinued operations loss for the period (ADP 065-062)	067				
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				
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				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
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	150.003.247	150.003.247	20.980.281	20.980.281
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
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	150.003.247	150.003.247	20.980.281	20.980.281
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				
2 Attributable to minority (non-controlling) interest	101				

STATEMENT OF CASH FLOWS - indirect method
for the period 1.1.2021 . to 31.3.2021.

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	150.003.247	20.980.281
2 Adjustments (ADP 003 to 010):	002	24.797.892	22.466.855
a) Depreciation	003	21.840.806	20.392.770
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-73.786	-29.682
e) Interest expenses	007	4.864.953	1.436.663
f) Provisions	008	-126.000	-109.001
g) Exchange rate differences (unrealised)	009	-1.711.707	776.105
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	3.626	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	174.801.139	43.447.136
3 Changes in the working capital (ADP 013 to 016)	012	-15.564.781	-48.840.103
a) Increase or decrease in short-term liabilities	013	-99.797.407	119.948.329
b) Increase or decrease in short-term receivables	014	49.299.343	-210.473.785
c) Increase or decrease in inventories	015	34.933.283	41.685.353
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	159.236.358	-5.392.967
4 Interest paid	018	-11.837.287	-1.432.444
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	147.399.071	-6.825.411
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	369.359	106.875
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	114.940	25.567
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	484.299	132.442
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-6.415.078	-51.816.094
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-1.493.038	0
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	-7.908.116	-51.816.094
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-7.423.817	-51.683.652
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	0
4 Other cash receipts from financing activities	038	79.552	423.670
V Total cash receipts from financing activities (ADP 035 to 038)	039	79.552	423.670
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-32.423.419	-3.757.448
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	-21.788
VI Total cash payments from financing activities (ADP 040 to 044)	045	-32.819.249	-3.779.236
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-32.739.697	-3.355.566
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	107.235.557	-61.864.629
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	479.582.051	336.760.352
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	586.817.608	274.895.723

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2021 to 31.3.2021

in HRK

Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Attributable to owners of the parent								Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
									Revaluation reserves	Fair value of 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	18 (3 to 6 + 7 + 8 to 17)	19					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 + 7 + 8 to 17)	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	-317.273.021	140.401.028	373.050.937	0	373.050.937		
2 Changes 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	-317.273.021	140.401.028	373.050.937	0	373.050.937		
5 Profit/loss of the period	05	0	0	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	06	0	0	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	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	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	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	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	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	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	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	0	0		
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	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	0		
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	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	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	0		
20 Payment of share in profit/dividend	20	0	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	0		
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	140.401.028	-140.401.028	0	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	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	-176.871.993	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 draw up financial statements in accordance with the IFRS)																					
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	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	265.001.070	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	140.401.028	-140.401.028	0	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	-176.871.993	265.001.070	638.052.007	0	638.052.007		
2 Changes 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	-176.871.993	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	20.980.281	20.980.281	0	20.980.281		
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	0		
7 Changes 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	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	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	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	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	0		
12 Actuarial 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	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	0		
14 Tax on transactions recognised directly in equity	41	0	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 reinvestment of profit)	42	0	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	0		
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
18 Redemption of treasury shares/holdings	45	0	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	0		
20 Payment of share in profit/dividend	47	0	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	0		
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	0	265.001.070	-265.001.070	0	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	0		
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	0	0	88.129.077	20.980.281	659.032.288	0	659.032.288		
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																					
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	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 do 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20.980.281	20.980.281	0	20.980.281		
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	0	0	0	0	0	0	0	265.001.070	-265.001.070	0	0	0		

NOTES TO FINANCIAL STATEMENTS - TFI

Name of the issuer:: PETROKEMIJA, Plc

Personal identification number (OIB): 24503685008

Reporting period: 1.1.2021. do 31.3.2021.

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 quarterly reporting period 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 2021 unaudited quarterly financial statements are available

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)

The accounting policies applied to draw up the quarterly financial statements of Petrokemija Plc for the period January-March 2021 are the same as the policies applied to draw up the 2020 audited annual financial statements.

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 quarterly reporting period 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 have been no changes 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 850 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 March 2021, Petrokemija Plc has 2 long-term loans totalling HRK 105 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 1,229 and in Petrokemija Group 1,376.

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 salary

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 2020, Petrokemija Plc capitalised internal labour in the amount of HRK 3 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 147,000.00.

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 5,712,691, total capital and reserves amount to HRK 7,894,940, the loss of Luka Šibenik for 2020 amounts to HRK 2,349,452.

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 40,023,720, the profit of Tvornica gline Kutina for 2020 amounts to HRK 70,310.

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 6,592,362, the profit of Tvornica paleta amounts to HRK 301,062.

PETROKEMIJA d.o.o. in liquidation, Novi Sad, Serbia, participating interest held by Petrokemija Plc is 100%, the proportion of the capital held by Petrokemija Plc is HRK 259,108, total capital and reserves amount to HRK 1,187,069, the profit of Petrokemija d.o.o. Novi Sad for 2020 amounts to HRK 537,622.

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

PETROKEMIJA d.o.o. in liquidation, Ilije Ognjanovića 28, Novi Sad, Republic of Serbia

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 March 2021.



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

Petrokemija d.d. financial results (IFRS)

2020	HRK mln	Q1 2020	Q1 2021	%
1,788	Sales revenues	559	486	(13)
368	EBITDA ⁽¹⁾	179	42	(76)
394	EBITDA excl. special items ⁽²⁾	160	93	(42)
286	Profit/(loss) from operations	157	22	(86)
311	Operating profit excl. special items ⁽²⁾	138	73	(47)
(21)	Net result from financial activities	(7)	(1)	(91)
265	Net profit/loss	150	21	(86)
290	Net profit/loss for the period excl. special items ⁽²⁾	131	72	(45)
338	Simplified Free Cash Flow ⁽³⁾	156	41	(74)
47	Net debt ⁽⁴⁾	133	(31)	n.a.
7	Net gearing (%) ⁽⁵⁾	20	(5)	n.a.
55	CAPEX	4	52	1,070

2020	EUR mln ⁽⁶⁾	Q1 2020	Q1 2021	%
237	Sales revenues	75	64	(14)
49	EBITDA ⁽¹⁾	24	6	(77)
52	EBITDA excl. special items ⁽²⁾	21	12	(42)
38	Profit/(loss) from operations	21	3	(86)
41	Operating profit excl. special items ⁽²⁾	18	10	(48)
(3)	Net result from financial activities	(1)	(0)	(91)
35	Net profit/loss	20	3	(86)
39	Net profit/loss for the period excl. special items ⁽²⁾	18	10	(46)
45	Simplified Free Cash Flow ⁽³⁾	21	5	(74)
6	Net debt ⁽⁴⁾	18	(4)	n.a.
7	Net gearing (%) ⁽⁵⁾	20	(5)	n.a.
7	CAPEX	1	7	1,056

⁽¹⁾ EBITDA = EBIT + Depreciation and amortization

⁽²⁾ In Q1 2021 EBITDA, Operating and net profit were negatively impacted by HRK 50 mln of special items related to the value adjustment of liabilities for CO2 emission charges and HRK 1 mln for severance payments, in Q1 2020 EBITDA, Operating and net loss were positively impacted by HRK 19 mln value adjustment of liabilities for CO2 emission charges

⁽³⁾ Simplified free cash flow = EBITDA excluding special items - capital expenditures

⁽⁴⁾ 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

⁽⁵⁾ Net gearing = Net debt / (net debt plus equity)

⁽⁶⁾ In converting HRK figures into EUR, the following average CNB (HNB) rates were used: for Q1 2020 – 7.48 HRK/EUR; Q1 2021 – 7.57 HRK/EUR; as at March 31th 2020 – 7.61 HRK/EUR; as at March 31th, 2021 – 7.57 HRK/EUR

In Q1 2021 Petrokemija d.d. reduced its sales revenue by 13% to HRK 486 mln, the decrease in revenue was caused by lower sales quantities due to less production because of the turnaround in the first quarter of 2021. The sales price of mineral fertilizers increases compared to the same period last year (consequence of significantly higher price of natural gas on the European market).

EBITDA excluding special items amounted to HRK 93 mln, it decreased compared to Q1 2020 due to lower sales, higher natural gas price and higher price of CO2 Emissions allowances (EUA).

At the beginning of 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 developments that will enhance the energy efficiency of the factory. During the turnaround, a new combustion air preheater of the primary reformer was installed at the Ammonia plant, worth HRK 22 mln.

Devastating earthquakes hitting Sisak-Moslavina County, as well as the city of Kutina and Petrokemija's industrial plants, have caused some damage, but repair efforts are underway. In view of the foregoing, Petrokemija is temporarily discontinuing the manufacture of ammonium nitrate until the end of 2021 for the sake of 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

2020	Fertilizers production (kt)	Q1 2020	Q1 2021	%
1,113	Fertilizers	312	170	(45)
2020	Fertilizers sales (kt)	Q1 2020	Q1 2021	%
373	Domestic market	130	126	(3)
714	Export	191	115	(40)
1,087	Total fertilizers sales (kt)	321	241	(25)

Main external parameters

2020		Q1 2020	Q1 2021	%
9.98	Natural gas price* (EUR/MWh)	10.64	18.08	70
32.04	CO2 European Emission Allowances-EUA** (EUR/unit)	17.54	42.45	142
6.61	HRK/USD average	6.78	6.27	(7)
6.14	HRK/USD closing	6.88	6.45	(6)
7.53	HRK/EUR average	7.48	7.57	1
7.54	HRK/EUR closing	7.61	7.57	(1)

*CEGH market data – period average

**EEX market data – period closing

Performance Q1 2021 vs. Q1 2020

KEY DRIVERS

- Total production lower (45%) compared to Q1 2020 caused by production downtime due to the turnaround
- Sales volume on domestic market slightly lower (3%) compared to Q1 2020, while on export markets significantly lower (40%)
- Significantly higher natural gas price as a result of lower gas prices in European markets
- Significant price increase (142%) of CO2 Emissions allowances (EUA)

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

In Q1 2021 Petrokemija d.d. archived net profit in the amount of HRK 21 mln compared to HRK 150 mln net profit in the same period last year. Considering the result without special items, net profit for Q1 2021 amounted to HRK 72 mln as opposed to HRK 131 mln net profit in Q1 2020.

Special items imply HRK 50 mln negative effect of value adjustment of liabilities for CO2 emission charges and HRK 1 mln for severance payments in Q1 2021. In Q1 2020 special items had positive effect of HRK 19 mln value adjustment of liabilities for CO2 emission charges. Negative effect of value adjustment of liabilities for CO2 emission charges in Q1 2021 is caused by significantly higher price of CO2 European emission allowances.

Petrokemija d.d. performance in Q1 2021 is impacted by higher natural gas price, higher price of CO2 European emission allowances and lower sales quantities as a result of performed turnaround. Negative impacts are partially mitigated by higher fertilizer prices and implemented efficiency measures.

At the beginning of 2021 the turnaround was successful realized and the restart of the plant proceeded in the first half of February. In this turnaround development investments related to improving the energy efficiency of the factory were made.

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 March 2020 and 2021
(HRK millions)

2020	HRK mln	Note	Q1 2020	Q1 2021	%
1,788	Sales revenue	1	559	486	(13)
5	Income from own consumption of products and services		0	11	n.a.
9	Other operating income		0	3	n.a.
1,802	Total operating income		560	501	(11)
0	Inventory change of finished prod. and work in progress		37	50	34
1,024	Cost of raw materials and consumables	2	288	273	(5)
83	Depreciation and amortization	5	22	20	(7)
50	Other material costs	2	9	7	(23)
163	Staff costs	6	39	40	3
20	Cost of other goods sold		1	2	209
156	Other costs	4	6	87	1.238
17	Impairment and charges		0	0	0
3	Provisions for charges and risks	3	0	0	0
1,516	Operating expenses		403	479	19
286	Profit/(Loss) from operations		157	22	(86)
4	Finance income		2	2	(11)
24	Finance costs		9	2	(73)
(21)	Net (loss) / profit from financial activities	7	(7)	(1)	(91)
265	Profit/(Loss) for the year		150	21	(86)



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

HRK mln	Note	31 Dec 2020	31 Mar 2021	%
Assets				
Non-current assets				
Intangible assets		1	1	9
Property, plant and equipment	9	582	614	5
Investment in subsidiaries		20	20	0
Other investments		0	0	0
Long-term receivables		1	2	47
Deferred tax		0	0	0
Total non-current assets		605	637	5
Current assets				
Inventories	10	196	154	(21)
Trade receivables net	11	8	18	118
Other receivables		31	33	6
Given loans and deposits		166	151	(9)
Other current assets		56	39	(31)
Prepaid expenses and accrued income		52	250	383
Cash and cash equivalents		115	85	(26)
Total current assets		623	730	17
Total assets	8	1,228	1,366	11
Equity and liabilities				
Capital and reserves				
Share capital		550	550	0
Capital reserves		(0)	(0)	0
Other reserves		(0)	(0)	0
Retained earnings / (Deficit)		(177)	88	n.a.
Current earnings / (Deficit)		265	21	(92)
Non-controlling interests		0	0	0
Total equity		638	659	3
Non-current liabilities				
Long-term loans		95	95	0
Other non-current liabilities		0	0	0
Employee benefits provisions		11	11	(1)
Other provisions		10	10	(0)
Total non-current liabilities		115	115	0
Current liabilities				
Bank loans and other creditors		14	86	504
Trade payables	13	122	190	56
Taxes and contributions		7	5	(16)
Other current liabilities	14	36	27	(25)
Accruals and deferred income		278	274	(2)
Employee benefits obligation		17	10	(44)
Total current liabilities		475	592	25
Total liabilities	12	590	707	20
Total equity and liabilities		1,228	1,366	11



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

HRK mln	Note	Q1 2020	Q1 2021	%
Profit for the year		150	21	(86)
Adjustments for:				
Depreciation and amortization		22	20	(7)
Gain on sale of property, plant, equipment and impairment		0	0	0
Other finance expense/(income) recognized in profit		5	1	(71)
(Decrease)/increase in provisions		(0)	(0)	(13)
Foreign exchange loss/(gain)		(2)	1	n.a.
Other non-cash items		0	0	n.a.
Operating cash flow before working capital changes	15	175	43	(75)
Movements in working capital	16	(16)	(49)	214
Decrease/(increase) in inventories		35	42	19
Decrease/(increase) in receivables and prepayments		49	(210)	n.a.
(Decrease)/increase in trade and other payables		(100)	120	n.a.
Cash generated from operations		159	(5)	n.a.
Interest expense (net)		(12)	(1)	(88)
Net cash inflow from operating activities		147	(7)	n.a.
Cash flows used in investing activities				
Capital expenditures, exploration and development costs		(6)	(52)	708
Interest on loans, net		0	0	0
Investments and loans to third parties, net		(1)	0	n.a.
Net cash used for investing activities	17	(7)	(52)	596
Cash flows from financing activities				
Issuing of own and debt financial instruments		0	0	0
Repayment borrowings, net		(32)	(4)	(88)
Other financing activities		(0)	0	0
Net cash used in financing activities		(33)	(3)	(90)
Net (decrease)/increase in cash and cash equivalents		107	(62)	n.a.
At 1 January		480	337	(30)
Effect of foreign exchange rate changes		0	0	0
At the end of period		587	275	(53)

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



Financial overview and notes

STATEMENT OF PROFIT OR LOSS

Notes

Q1 2021 RESULTS

- 1 **Total sales revenues** in Q1 2021 amounted to HRK 486 million and were 13% lower compared to Q1 2020, triggered mainly by lower sales quantities.
- 2 **Costs of raw materials, consumables and other material costs** were 6% lower than in Q1 2020, at HRK 280 million, mainly due to lower cost of raw materials consumed due to the turnaround.
- 3 In Q1 2021 as well as in Q1 2020 no provisions were recorded.
- 4 Other **operating costs** realized in Q1 2021 are significantly above the level of Q1 2020, mainly because of Q1 2021 negative impact of special items related to the value adjustment of liabilities for CO2 emission charges in the amount of HRK 50 mln while in Q1 2020 positive impact related to the value adjustment of liabilities for CO2 emission charges in the amount of HRK 19 mln was recorded.
- 5 **Depreciation** in the amount of HRK 20 million was 7% lower compared to Q1 2020.
- 6 **Staff costs** in the amount of HRK 40 million were 3% higher compared to Q1 2020.
- 7 **Net result from financial activities** is negative in Q1 2021 and amounts to HRK 0.6 million which is lower compared to Q1 2020 loss in the amount of HRK 6.8 million.
 - Net foreign exchange profit was HRK 0.8 million in Q1 2021, while in Q1 2020 loss amounted to HRK 1.7 mln
 - Net interest payable amounted to HRK 1.4 million in Q1 2021, while net interest payable in Q1 2020 amounted to HRK 4.8 mln.

STATEMENT OF FINANCIAL POSITION

Notes

- 8 As at 31th March 2021 Petrokemija d.d. **total assets** amounted to HRK 1,366 million, 11% higher compared to 31st December 2020.
- 9 In the period ended 31th March 2021, Petrokemija invested HRK 52 million in **property, plant and equipment**. This effect increased net book value of property, plant and equipment to amount of HRK 614 million.
- 10 **Inventories** amounted to HRK 154 million, and have decreased by 21% compared to 31st December 2020.
- 11 **Trade receivables** increased to HRK 18 million.
- 12 As at 31th March 2021 **total liabilities** amounted to HRK 707 million which is 20% or HRK 117 million higher compared to 31st December 2020. Petrokemija **net debt** ⁽¹⁾ is negative and amounts to HRK 31 million with a negative **gearing ratio** of 5%, while at 31st December 2020 the **net debt** amounted to HRK 47 million with a **gearing ratio** of 7%.
- 13 **Trade payables** increased by 56% to HRK 190 million, as a result of higher liabilities for raw materials and consumables.
- 14 **Other current liabilities** decreased by 25% to HRK 27 million, out of which liabilities for advance payments decreased from HRK 27 million to HRK 18 million.

CASH FLOW

Notes

- 15 The **operating cash-flow before changes in working capital** amounted to HRK 43 million in Q1 2021 representing an decrease of HRK 131 million compared to Q1 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 49 million in Q1 2021, due to:
 - decreasead value of inventories by HRK 42 million
 - increase in receivables by HRK 210 million due to purchased CO2 Emissions allowances (EUA)
 - increase in trade and other payables by HRK 120 million mainly as a result of higher liabilities for natural gas
- 17 **Net outflows from investing activities** amounted to HRK 52 million, which is by HRK 44 million higher compared to Q1 2020.

Restatement

- (1) Petrokemija adjusted 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 – 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.

In Q1 2021 EBITDA, Operating and net profit were negatively impacted by HRK 50 mln of special items related to the value adjustment of liabilities for CO2 emission charges and HRK 1 mln for severance payments, in Q1 2020 EBITDA, Operating and net loss were positively impacted by HRK 19 mln value adjustment of liabilities for CO2 emission charges.

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 March 2021 Petrokemija, had credit debt of HRK 180 million, out of which HRK 86 million is related to short-term debt and HRK 94 million is related to long term debt toward banks.

Changes in equity

HRK mln	Share capital	Legal reserves	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	(177)	373	0	373
Profit/(loss) for the period	0	0	0	0	265	265	0	265
Other comprehensive gain, net	0	0	0	0	0	0	0	0
Total comprehensive income/(loss) for the period	0	0	0	0	265	265	0	265
Transfer	0	0	0	0	0	0	0	0
Transfer to legal reserves from retained earnings	0	0	0	0	0	0	0	0
Dividend paid	0	0	0	0	0	0	0	0
Balance at 1 January 2021	550	0	0	0	88	638	0	638
Profit/(Loss) for the period	0	0	0	0	21	21	0	21
Transfer	0	0	0	0	0	0	0	0
Other comprehensive loss, net	0	0	0	0	0	0	0	0
Total comprehensive income/(loss) for the period	0	0	0	0	21	21	0	21
Transfer to legal reserves from retained earnings	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0
Balance at 31 March 2021	550	0	0	0	109	659	0	659



Management representation

Petrokemija financial statements for Q1 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. Željko Marić's mandate as Management Board member ceased on December 2nd of 2020. Mr. Krešimir Rendeli, has been appointed member of the Management Board in charge of production as of December 3rd, 2020.

Management Board:

Davor Žmegač	President
Juraj Kojundžić	Member
Krešimir Rendeli	Member
Peter Suba	Member