

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2020

to

30.9.2020

Year:

2020

Quarter:

3

Quarterly financial statements

Registration number (MB):

03674223

Issuer's home Member

State code:

REPUBLIKA HRVATSKA

Entity's registration
number (MBS):

080004355

Personal identification
number (OIB):

24503685008

LEI:

74780000U0FHQRSAX069

Institution
code:

1141

Name of the issuer: PETROKEMIJA d.d.

Postcode and town: 44320

KUTINA

Street and house number: ALEJA VUKOVAR 4

E-mail address: fin@petrokemija.hr

Web address: www.petrokemija.hr

Number of employees
(end of the reporting

1447

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

PETROKEMIJA d.o.o.

NOVI SAD 08754608

LUKA ŠIBENIK d.o.o.

ŠIBENIK 03037525

TVORNICA PALETA KUTINA d.o.o.

KUTINA 05171024

TVORNICA GLINE KUTINA d.o.o.

KUTINA 05171032

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

ANTONIJA PEROŠEVIĆ-GALOVIĆ

(only name and surname of the contact person)

Telephone: 044-647-801

E-mail address:

antonija.galovic@petrokemija.hr

Audit firm:

KPMG Croatia d.o.o.

(name of the audit firm)

Certified auditor:

Igor Gošek

(name and surname)

BALANCE SHEET
balance as at 30. 9. 2020

in HRK

Submitter: GROUP PETROKEMIJA			
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	627.407.653	589.120.802
I INTANGIBLE ASSETS (ADP 004 to 009)	003	2.181.727	1.572.772
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	2.181.727	1.102.067
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	470.705
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	625.065.962	587.386.345
1 Land	011	44.545.623	44.545.623
2 Buildings	012	181.653.025	169.283.138
3 Plant and equipment	013	360.151.184	330.320.165
4 Tools, working inventory and transportation assets	014	13.647.075	12.769.706
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	4.279.293	122.518
7 Tangible assets in preparation	017	16.349.237	26.282.565
8 Other tangible assets	018	4.440.525	4.062.630
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	10.226	10.226
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
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	0	0
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	0	0
V DEFERRED TAX ASSETS	036	149.738	151.459
C) CURRENT ASSETS (ADP 038+046+053+063)	037	785.120.583	839.907.109
I INVENTORIES (ADP 039 to 045)	038	225.578.589	238.176.425
1 Raw materials and consumables	039	116.414.499	154.439.382
2 Work in progress	040	27.059.389	13.275.413
3 Finished goods	041	76.367.692	62.907.677
4 Merchandise	042	3.458.463	1.328.391
5 Advances for inventories	043	2.278.546	6.225.562
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0

II RECEIVABLES (ADP 047 to 052)	046	76.678.885	52.035.182
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	40.395.333	22.022.784
4 Receivables from employees and members of the undertaking	050	7.192	28.019
5 Receivables from government and other institutions	051	34.416.945	28.744.538
6 Other receivables	052	1.859.415	1.239.841
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	440.808.628	375.023.863
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	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	343.133.318	305.925.978
9 Other financial assets	062	97.675.310	69.097.885
IV CASH AT BANK AND IN HAND	063	42.054.481	174.671.639
D) PREPAID EXPENSES AND ACCRUED INCOME	064	37.946.499	53.803.994
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.450.474.735	1.482.831.905
OFF-BALANCE SHEET ITEMS	066	972.746.484	960.215.814
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	370.878.510	685.002.029
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	111.920	-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	126.000	0
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-320.984.560	-180.457.502
1 Retained profit	082	0	0
2 Loss brought forward	083	320.984.560	180.457.502
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	140.534.613	314.469.507
1 Profit for the business year	085	140.534.613	314.469.507
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	1.279.527	1.067.094
B) PROVISIONS (ADP 089 to 094)	088	22.423.937	21.986.938
1 Provisions for pensions, termination benefits and similar obligations	089	12.605.314	12.190.314
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	898.212	888.213
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	8.920.411	8.908.411

C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	182.578.799	183.695.086
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	74.400.799	74.400.799
6 Liabilities to banks and other financial institutions	101	106.825.366	108.280.985
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	1.352.634	1.013.302
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	641.505.788	364.261.502
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	364.478.979	131.531.776
6 Liabilities to banks and other financial institutions	113	19.296.832	3.693.384
7 Liabilities for advance payments	114	57.062.734	39.740.151
8 Liabilities to suppliers	115	145.389.920	141.118.337
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	25.492.982	19.820.020
11 Taxes, contributions and similar liabilities	118	21.142.824	20.079.802
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	8.641.517	8.278.032
E) ACCRUALS AND DEFERRED INCOME	122	233.087.701	227.886.350
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.450.474.735	1.482.831.905
G) OFF-BALANCE SHEET ITEMS	124	972.746.484	960.215.814

STATEMENT OF PROFIT OR LOSS
for the period 1. 1. 2020 to 30. 9. 2020

in HRK

Submitter: GROUP PETROKEMIJA

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 126 to 130)	125	1.648.503.229	510.906.474	1.423.143.746	456.010.807
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	1.634.533.768	508.354.320	1.415.899.051	453.999.093
3 Income from the use of own products, goods and services	128	2.260.138	1.072.526	2.639.542	1.018.637
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	11.709.323	1.479.628	4.605.153	993.077
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	1.511.365.371	412.140.025	1.093.633.191	373.594.146
1 Changes in inventories of work in progress and finished goods	132	83.261.754	45.494.583	27.243.992	6.376.195
2 Material costs (ADP 134 to 136)	133	1.070.936.520	277.975.607	773.317.916	261.080.654
a) Costs of raw materials and consumables	134	1.014.002.311	255.056.877	715.851.078	228.448.860
b) Costs of goods sold	135	18.381.111	12.683.811	18.455.897	17.419.230
c) Other external costs	136	38.553.098	10.234.919	39.010.941	15.212.564
3 Staff costs (ADP 138 to 140)	137	143.761.405	44.193.916	132.809.250	45.002.865
a) Net salaries and wages	138	91.083.555	27.927.098	84.391.180	28.533.750
b) Tax and contributions from salary costs	139	32.562.037	10.095.967	30.315.077	10.363.151
c) Contributions on salaries	140	20.115.813	6.170.851	18.102.993	6.105.964
4 Depreciation	141	77.435.497	23.930.783	65.101.468	20.377.737
5 Other costs	142	129.954.068	21.221.743	95.098.144	40.734.551
6 Value adjustments (ADP 144+145)	143	187.981	137.747	9.911	0
a) fixed assets other than financial assets	144	62.088	11.870	532	0
b) current assets other than financial assets	145	125.893	125.877	9.379	0
7 Provisions (ADP 147 to 152)	146	5.748.000	-894.500	0	0
a) Provisions for pensions, termination benefits and similar	147	5.748.000	-894.500	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	80.146	80.146	52.510	22.144
III FINANCIAL INCOME (ADP 155 to 164)	154	2.429.239	567.616	3.625.532	1.155.431
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	357.721	94.095	276.101	40.095
8 Exchange rate differences and other financial income	162	1.874.532	358.908	2.964.379	1.009.416
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	196.986	114.613	385.052	105.920
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	18.431.936	5.573.656	18.879.014	5.915.816
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	15.691.664	5.155.334	12.338.909	3.053.454
4 Exchange rate differences and other expenses	169	2.735.616	418.322	6.142.275	2.860.362
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	4.656	0	397.830	2.000
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	1.650.932.468	511.474.090	1.426.769.278	457.166.238
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	1.529.797.307	417.713.681	1.112.512.205	379.509.962
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	121.135.161	93.760.409	314.257.073	77.656.276

1 Pre-tax profit (ADP 177-178)	180	121.135.161	93.760.409	314.257.073	77.656.276
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	121.135.161	93.760.409	314.257.073	77.656.276
1 Profit for the period (ADP 179-182)	184	121.135.161	93.760.409	314.257.073	77.656.276
2 Loss for the period (ADP 182-179)	185	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 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
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 200+201)	199	121.135.161	93.760.409	314.257.073	77.656.276
1 Attributable to owners of the parent	200	121.624.424	93.930.620	314.469.507	77.385.356
2 Attributable to minority (non-controlling) interest	201	-489.263	-170.211	-212.434	270.920
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	121.135.161	93.760.409	314.257.073	77.656.276
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	121.135.161	93.760.409	314.257.073	77.656.276
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 216+217)	215	121.135.161	93.760.409	314.257.073	77.656.276
1 Attributable to owners of the parent	216	121.624.424	93.930.620	314.469.507	77.385.356
2 Attributable to minority (non-controlling) interest	217	-489.263	-170.211	-212.434	270.920

STATEMENT OF CASH FLOWS - indirect method
for the period 1. 1. 2020 to 30. 9. 2020

in HRK

Submitter: GROUP PETROKEMJA			
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	121.135.161	314.469.507
2 Adjustments (ADP 003 to 010):	002	92.848.535	73.549.379
a) Depreciation	003	77.435.496	65.101.468
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	76.104	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	-348.141	-276.101
e) Interest expenses	007	15.672.726	12.338.908
f) Provisions	008	-850.734	-437.000
g) Exchange rate differences (unrealised)	009	863.084	-3.177.896
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	213.983.696	388.018.886
3 Changes in the working capital (ADP 013 to 016)	012	-41.907.939	-28.555.458
a) Increase or decrease in short-term liabilities	013	-162.622.281	-24.016.674
b) Increase or decrease in short-term receivables	014	34.406.268	8.059.052
c) Increase or decrease in inventories	015	86.308.074	-12.597.836
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	172.075.757	359.463.428
4 Interest paid	018	-14.966.228	-17.535.584
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	157.109.529	341.927.844
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	403.677
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	348.158	214.528
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	348.158	618.205
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-17.476.416	-26.812.896
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	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	-17.476.416	-26.812.896
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-17.128.258	-26.194.691
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	0	385.052
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	385.052
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-28.919.650	-248.889.982
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	-395.830
VI Total cash payments from financing activities (ADP 040 to 044)	045	-28.919.650	-249.285.812
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-28.919.650	-248.900.760
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	111.061.621	66.832.393
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	386.006.808	482.863.109
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	497.068.429	549.695.502

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2020 to 30.9.2020

in HRK

Item	ADP code	Attributable to owners of the parent															
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
Previous period																	
1 Balance on the first day of the previous business year	01	550.287.010	153.523.260	0	0	14.080	0	38.679	0	0	0	0	-1.576.996	-473.511.311	228.746.571	1.947.181	230.693.752
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	550.287.010	153.523.260	0	0	14.080	0	38.679	0	0	0	0	-1.576.996	-473.511.311	228.746.571	1.947.181	230.693.752
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	140.534.613	140.534.613	-667.654	139.866.959
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	538.174	0	538.174	0	538.174
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	507.383.080	149.599.300	0	0	2.480	0	0	0	0	0	0	0	0	656.979.900	0	656.979.900
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	0	0	0	0	0	87.322	0	0	0	0	-319.949.363	473.511.311	153.649.270	0	153.649.270
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (04 to 23)	23	1.057.670.090	303.122.569	0	0	16.560	0	126.001	0	0	0	0	-320.988.185	140.534.613	1.180.448.528	1.279.527	1.181.728.055
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)	24	0	0	0	0	0	0	0	0	0	0	0	538.174	0	538.174	0	538.174
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	0	0	0	538.174	140.534.613	141.072.787	-667.654	140.405.133
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	507.383.080	149.599.300	0	0	2.480	0	87.322	0	0	0	0	-319.949.363	473.511.311	810.629.170	0	810.629.170
Current period																	
1 Balance on the first day of the current business year	27	550.287.010	-350.000	0	0	14.080	0	126.000	0	0	0	0	-320.984.560	140.534.613	369.598.983	1.279.527	370.878.510
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	-7.555	0	-7.555	0	-7.555
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	550.287.010	-350.000	0	0	14.080	0	126.000	0	0	0	0	-320.992.115	140.534.613	369.591.428	1.279.527	370.870.955
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	314.469.507	314.469.507	-212.434	314.257.073
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	-126.000	0	0	0	0	140.534.613	-140.534.613	-126.000	0	-126.000
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	-180.457.502	314.469.507	683.934.935	1.067.093	685.002.028
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 32 to 40)	50	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 31+50)	51	0	0	0	0	0	0	0	0	0	0	0	0	314.469.507	314.469.507	-212.434	314.257.073
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	-126.000	0	0	0	0	140.534.613	-140.534.613	-126.000	0	-126.000

NOTES TO THE FINANCIAL STATEMENTS – TFI
(prepared for quarterly reporting periods)

Name of issuer: PETROKEMIJA PLC

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

Reporting period: 1 January 2020 – 30 September 2020

The accounting policies followed during the preparation of consolidated financial statements of Petrokemija Plc for the period January-September 2020 are consistent with the accounting policies followed during the preparation of the 2019 annual audited financial statements.

The consolidated financial statements have been prepared based on consistent presentation and classification. When the presentation and classification of items in the consolidated financial statements are changed, comparative amounts are reclassified, unless reclassification is not feasible. Financial expenses were reclassified to operating costs in the amount of HRK 0.6 million for the comparative period in 2019.

The financial statement of Petrokemija Plc for the period January – September 2020 and the Q3 2020 Interim Report describe significant business events as of 30 September 2020.

The 2019 annual audited financial statements and the quarterly financial statement for the period January – September 2020 are available on www.petrokemija.hr.



Petrokemija Group (ZB: PTKM-R-A; petrokemija.hr) announced its Q3 /Q1-Q3 2020 results today. This report contains unaudited financial statements for the period ending on 30th of September 2020 as prepared by the management in accordance with the International Financial Reporting Standards.

Petrokemija Group financial results ⁽¹⁾ (IFRS)

Q3 2019	Q3 2020	HRK mln	Q1-Q3 2019	Q1-Q3 2020	%
508	454	Sales revenues	1,635	1,416	(13)
123	103	EBITDA ⁽²⁾	215	395	84
116	96	EBITDA excl. special items ⁽³⁾	268	401	49
99	82	Profit/(loss) from operations	137	330	140
92	75	Operating profit excl. special items ⁽³⁾	191	336	76
(5)	(5)	Net result from financial activities	(16)	(15)	(5)
94	78	Net profit/loss	121	314	159
87	71	Net profit/loss for the period excl. special items ⁽³⁾	175	321	83
112	85	Simplified Free Cash Flow ⁽⁴⁾	254	373	47
371	59	Net debt ⁽⁵⁾	371	59	(84)
51	8	Net gearing (%) ⁽⁶⁾	51	8	(85)
4	11	CAPEX	14	29	100

Q3 2019	Q3 2020	EUR mln ⁽⁷⁾	Q1-Q3 2019	Q1-Q3 2020	%
69	60	Sales revenues	221	188	(15)
17	14	EBITDA ⁽²⁾	29	52	81
16	13	EBITDA excl. special items ⁽³⁾	36	53	47
13	11	Profit/(loss) from operations	19	44	136
12	10	Operating profit excl. special items ⁽³⁾	26	45	73
(1)	(1)	Net result from financial activities	(2)	(2)	(6)
13	10	Net profit/loss	16	42	155
12	9	Net profit/loss for the period excl. special items ⁽³⁾	24	43	80
15	11	Simplified Free Cash Flow ⁽⁴⁾	34	50	44
50	8	Net debt ⁽⁵⁾	50	8	(84)
51	8	Net gearing (%) ⁽⁶⁾	51	8	(85)
1	1	CAPEX	2	4	97

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

⁽²⁾ EBITDA = EBIT + Depreciation and amortization

⁽³⁾ In Q1-Q3 2020 EBITDA, Operating and net profit were negatively impacted by HRK 4 mln of special items related to the value adjustment of liabilities for CO2 emission charges and HRK 2 mln for severance payments, in Q1-Q3 2019 EBITDA, Operating and net loss were negatively impacted by HRK 1 mln value adjustment of liabilities for CO2 emission charges, HRK 48 mln for severance payments and HRK 6 mln reservations for severance payments

⁽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

⁽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 Q3 2019 – 7.41 HRK/EUR; Q3 2020 – 7.53 HRK/EUR; as at September 30th 2019 – 7.40 HRK/EUR; as at September 30th, 2020 – 7.54 HRK/EUR

The COVID 19 pandemic did not have a negative impact on the demand for mineral fertilizers in Q1-Q3 2020 due to the expected inelasticity of food consumption and agricultural production. The production of mineral fertilizers worked steadily while logistics worked with minor disruptions in the supply chains caused by the COVID 19 crisis.

In the first nine months of 2020 Petrokemija Group reduced its sales revenue by 13% to HRK 1,416 mln, the decrease in revenue was mainly caused by somewhat lower prices of mineral fertilizers which are a consequence of the significantly lower price of natural gas on the European market.

EBITDA excluding special items amounted to HRK 401 mln, compared to the Q1-Q3 2019 it increased significantly due to stable production, continuous sales and low natural gas price. Net debt significantly decreased compared to Q1-Q3 2019 and amounts to HRK 59 mln with the gearing rate at 8%.



Management discussion

Production and sales

Q3 2019	Q3 2020	Fertilizers production (kt)	Q1-Q3 2019	Q1-Q3 2020	%
261	274	Fertilizers	834	846	1
Q3 2019	Q3 2020	Fertilizers sales (kt)	Q1-Q3 2019	Q1-Q3 2020	%
51	60	Domestic market	264	274	4
226	225	Export	594	569	(4)
277	285	Total fertilizers sales (kt)	857	843	(2)

Main external parameters

Q3 2019	Q3 2020		Q1-Q3 2019	Q1-Q3 2020	%
11.15	8.79	Natural gas price* (EUR/MWh)	15.34	8.70	(43)
24.72	26.90	CO2 European Emission Allowances-EUA** (EUR/unit)	24.72	26.90	9
6.64	6.44	HRK/USD average	6.59	6.70	2
6.77	6.45	HRK/USD closing	6.77	6.45	(5)
7.39	7.52	HRK/EUR average	7.41	7.53	2
7.40	7.54	HRK/EUR closing	7.40	7.54	2

*CEGH market data – period average

** EEX market data – period closing

Performance 2020 vs. 2019

KEY DRIVERS

- Plant operated with high utilization of all units, achieving total production on the level of Q1-Q3 2019
- Sales Volume on domestic market higher (4%), while on export markets lower (4%)
- Significantly lower natural gas price as a result of lower gas prices in European markets
- Price increase of CO2 Emissions allowances (EUA)

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

In Q1-Q3 2020 Petrokemija Group achieved net profit in the amount of HRK 314 mln compared to HRK 121 mln net profit in the same period last year. Considering the result without special items, net profit for Q1-Q3 2020 amounted to HRK 321 mln as opposed to HRK 175 mln net profit in Q1-Q3 2019. Special items imply HRK 4 mln negative effect of value adjustment of liabilities for CO2 emission charges and HRK 2 mln for severance payments in Q1-Q3 2020. In Q1-Q3 2019 special items were HRK 1 mln negative effect of value adjustment of liabilities for CO2 emission charges and HRK 48 mln for severance payments as well as HRK 6 mln provisions for severance payments.

The COVID 19 pandemic did not have a negative impact on the demand for mineral fertilizers, which combined with Company's ability to maintain continues production resulted in high volume of production and sales in Q1-Q3 2020. The performance of Petrokemija Group in Q1-Q3 2020 was also positively impacted by significantly lower natural gas price and implemented efficiency measures in previous periods.

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

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



Petrokemija Group Consolidated Statement of Profit or Loss
For the period ended 30 September 2020 and 2019
(HRK millions)

Q3 2019	Q3 2020	HRK mln	Note	Q1-Q3 2019	Q1-Q3 2020	%
508	454	Sales revenue	1	1,635	1,416	(13)
1	1	Income from own consumption of products and services		2	3	17
1	1	Other operating income		12	5	(61)
511	456	Total operating income		1,649	1,423	(14)
45	6	Inventory change of finished prod. and work in progress		83	27	(67)
255	228	Cost of raw materials and consumables	2	1,014	716	(29)
24	20	Depreciation and amortization	5	77	65	(16)
10	15	Other material costs	2	39	39	1
44	45	Staff costs	6	144	133	(8)
13	17	Cost of other goods sold		18	18	0
21	41	Other costs	4	130	95	(27)
0	0	Impairment and charges		0	0	0
(1)	0	Provisions for charges and risks	3	6	0	n.a.
412	374	Operating expenses		1,511	1,094	(28)
99	82	Profit/(Loss) from operations		137	330	140
1	1	Finance income		2	4	49
6	6	Finance costs		18	19	2
(5)	(5)	Net (loss) / profit from financial activities	7	(16)	(15)	(5)
94	78	Profit/(Loss) for the year		121	314	159



Petrokemija Group Consolidated Statement of Financial Position
At 31 December 2019 and 30 September 2020
 (HRK millions)

HRK mln	Note	31 Dec 2019	30 Sep 2020	%
Assets				
Non-current assets				
Intangible assets		2	2	(28)
Property, plant and equipment	9	625	587	(6)
Investment in subsidiaries		0	0	0
Other investments		0	0	0
Long-term receivables		0	0	0
Deferred tax		0	0	0
Total non-current assets		627	589	(6)
Current assets				
Inventories	10	226	238	6
Trade receivables net	11	40	22	(45)
Other receivables		36	30	(17)
Given loans and deposits		343	306	(11)
Other current assets		98	69	(29)
Prepaid expenses and accrued income		38	54	42
Cash and cash equivalents		42	175	315
Total current assets		823	894	9
Total assets	8	1,450	1,483	2
Equity and liabilities				
Capital and reserves				
Share capital		550	550	0
Capital reserves		(0)	(0)	0
Other reserves		(0)	(0)	0
Retained earnings / (Deficit)		(321)	(180)	(44)
Current earnings / (Deficit)		141	314	124
Non-controlling interests		1	1	0
Total equity		371	685	85
Non-current liabilities				
Long-term loans		183	184	1
Other non-current liabilities		0	0	0
Employee benefits provisions		13	12	(3)
Other provisions		10	10	(0)
Total non-current liabilities		205	206	0
Current liabilities				
Bank loans and other creditors		384	135	(65)
Trade payables	13	145	141	(3)
Taxes and contributions		21	20	(5)
Other current liabilities	14	66	48	(27)
Accruals and deferred income		233	228	(2)
Employee benefits obligation		25	20	(22)
Total current liabilities		875	592	(32)
Total liabilities	12	1,080	798	(26)
Total equity and liabilities		1,450	1,483	2



Petrokemija Group Consolidated Statement of Cash Flow
For the period ended 30 September 2019 and 2020
 (HRK millions)

HRK mln	Note	Q1-Q3 2019	Q1-Q3 2020	%
Profit for the year		121	314	160
Adjustments for:				
Depreciation and amortization		77	65	(16)
Gain on sale of property, plant, equipment and impairment		0	0	0
Other finance expense/(income) recognized in profit		15	12	(21)
(Decrease)/increase in provisions		(1)	(0)	(49)
Foreign exchange loss/(gain)		1	(3)	n.a.
Other non-cash items		0	0	0
Operating cash flow before working capital changes	15	214	388	81
Movements in working capital	16	(42)	(29)	(32)
Decrease/(increase) in inventories		86	(13)	n.a.
Decrease/(increase) in receivables and prepayments		34	8	(77)
(Decrease)/increase in trade and other payables		(163)	(24)	(85)
Cash generated from operations		172	359	109
Interest expense (net)		(15)	(18)	17
Net cash inflow from operating activities		157	342	118
Cash flows used in investing activities				
Capital expenditures, exploration and development costs		(17)	(27)	53
Interest on loans, net		0	0	0
Investments and loans to third parties, net		0	0	n.a.
Net cash used for investing activities	17	(17)	(26)	53
Cash flows from financing activities				
Issuing of own and debt financial instruments		0	0	0
Repayment borrowings, net		(29)	(249)	761
Other financing activities		0	(0)	n.a.
Net cash used in financing activities		(29)	(249)	761
Net (decrease)/increase in cash and cash equivalents		111	67	(40)
At 1 January		386	483	25
Effect of foreign exchange rate changes		0	0	0
At the end of period		497	550	11

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



Financial overview and notes

STATEMENT OF PROFIT OR LOSS

Notes	Q3 2020 RESULTS ⁽¹⁾
1	Total sales revenues in Q1-Q3 2020 amounted to HRK 1,416 million and were 13% lower compared to Q1-Q3 2019, triggered mainly due to lower sales prices.
2	Costs of raw materials, consumables and other material costs were 28% lower than in Q1-Q3 2019, at HRK 755 million, mainly due to lower cost of natural gas, mono ammonium and diammonium phosphate.
3	There were no provisions in Q1-Q3 2020, while in Q1-Q3 2019 provisions for severance payments amounted to HRK 6 million.
4	Other operating costs realized in Q1-Q3 2020 are under the level of Q1-Q3 2019, mainly because of lower cost for severance payments and lower cost for business travel.
5	Depreciation in the amount of HRK 65 million was 16% lower compared to Q1-Q3 2019.
6	Staff costs in the amount HRK 133 million were 8% lower compared to Q1-Q3 2019.
7	Net result from financial activities is negative in Q1-Q3 2020 and amounts to HRK 15 million
	- Net foreign exchange loss was HRK 3 million in Q1-Q3 2020, while in Q1-Q3 2019 loss amounted to HRK 1 mln
	- Net interest payable amounted to HRK 12 million in Q1-Q3 2020, while net interest payable in Q1-Q3 2019 amounted HRK 15 mln.

STATEMENT OF FINANCIAL POSITION

Notes	
8	As at 30 th September 2020 Petrokemija Group total assets amounted to HRK 1,483 million, 2% higher compared to 31 st December 2019.
9	In the period ended 30 th September 2020, Petrokemija invested HRK 29 million in property, plant and equipment . The effect of depreciation reduced net book value of property, plant and equipment to amount of HRK 587 million.
10	Inventories amounted to HRK 238 million, and have increased by 6% compared to 31 st December 2019.
11	Trade receivables decreased to HRK 22 million.
12	As at 30 th September 2020, total liabilities amounted to HRK 798 million which is 26% or HRK 282 million lower compared to 31 st December 2019. Petrokemija net debt ⁽²⁾ decreased by 85% compared to 31 st December 2019 and amounted to HRK 59 million. Gearing ratio decreased from 52% as at 31 st December 2019, to 8% as at 30 th September 2020.
13	Trade payables decreased by 3% to HRK 141 million, as a result of lower liabilities for raw materials and consumables.
14	Other current liabilities decreased by 27% to HRK 48 million, out of which liabilities for advance payments decreased from HRK 57 million to HRK 40 million.

CASH FLOW

Notes	
15	The operating cash-flow before changes in working capital amounted to HRK 388 million in Q1-Q3 2020 representing an increase of HRK 174 million compared to Q1-Q3 2019, 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 29 million in Q1-Q3 2020, due to: <ul style="list-style-type: none"> - increasead value of inventories by HRK 13 million - decrease in receivables by HRK 8 million - decrease in trade and other payables by HRK 24 million as a result of lower liabilities for raw materials and consumables
17	Net outflows from investing activities amounted to HRK 26 million, which is by HRK 9 million higher compared to Q1-Q3 2019.

Restatement

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

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



Special items in EBITDA, operating and net profit

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

In Q1-Q3 2020 EBITDA, Operating and net profit were negatively impacted by HRK 4 mln of special items related to the value adjustment of liabilities for CO2 emission charges and HRK 2 mln for severance payments, in Q1-Q3 2019 EBITDA, Operating and net loss were negatively impacted by HRK 1 mln value adjustment of liabilities for CO2 emission charges, HRK 48 mln for severance payments and HRK 6 mln reservations for severance payments.

Financial instruments and risks

Risks are described in detail in audited Petrokemija Group Financial Statements for the year ended on 31st of December 2019.

As of 30th September 2020 Petrokemija, had credit debt of HRK 318 million, out of which HRK 135 million is related to short-term debt and HRK 183 million relates to long-term debt (HRK 112 million relates to Banks and others, while HRK 206 million relates to the gas suppliers debt: HEP, INA and PPD). Average interest rate during the 2020 Q1-Q3 was 3.55% per annum.

Management representation

Petrokemija financial statements for Q1-Q3 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS), i.e. they present fairly, in all material aspects, the financial position of the company, results of its operations and cash flows.

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

Management Board:

Davor Žmegač	President
Juraj Kojundžić	Member
Željko Marić	Member
Peter Suba	Member