

Annex 1

ISSUER'S GENERAL DATA

Reporting period: to

Year:

Quarter:

Quarterly financial statements

Registration number (MB): Issuer's home Member State code:

Entity's registration number (MBS):

Personal identification number (OIB): LEI:

Institution code:

Name of the issuer:

Postcode and town:

Street and house number:

E-mail address:

Web address:

Number of employees (end of the reporting):

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

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

Names of subsidiaries (according to IFRS): Registered office: MB:

Names of subsidiaries (according to IFRS):	Registered office:	MB:

Bookkeeping firm: (Yes/No) (name of the bookkeeping firm)

Contact person: (only name and surname of the contact person)

Telephone:

E-mail address:

Audit firm: (name of the audit firm)

Certified auditor: (name and surname)

BALANCE SHEET
balance as at 30.9.2020

in HRK

Submitter: PETROKEMIJA, d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	638.140.171	603.160.225
I INTANGIBLE ASSETS (ADP 004 to 009)	003	2.181.727	1.525.797
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	423.730
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	613.099.115	577.285.687
1 Land	011	43.947.414	43.947.414
2 Buildings	012	173.669.042	161.938.895
3 Plant and equipment	013	361.280.680	332.281.579
4 Tools, working inventory and transportation assets	014	13.563.180	12.708.731
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	15.896.812	25.823.880
8 Other tangible assets	018	462.694	462.670
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	22.859.329	24.348.741
1 Investments in holdings (shares) of undertakings within the group	021	22.849.103	22.845.477
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	1.493.038
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	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	773.978.554	825.223.799
I INVENTORIES (ADP 039 to 045)	038	218.192.981	231.727.865
1 Raw materials and consumables	039	110.725.680	150.597.576
2 Work in progress	040	27.059.389	13.275.413
3 Finished goods	041	74.736.624	60.325.665
4 Merchandise	042	3.458.462	1.328.391
5 Advances for inventories	043	2.212.826	6.200.820
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	75.803.521	49.777.803

1 Receivables from undertakings within the group	047	712.865	522.278
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	38.958.333	19.922.757
4 Receivables from employees and members of the undertaking	050	7.092	26.869
5 Receivables from government and other institutions	051	34.268.337	28.556.018
6 Other receivables	052	1.856.894	749.881
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	441.208.628	375.423.863
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	400.000	400.000
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	38.773.424	168.294.268
D) PREPAID EXPENSES AND ACCRUED INCOME	064	37.884.926	53.786.953
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.450.003.651	1.482.170.977
OFF-BALANCE SHEET ITEMS	066	972.746.484	960.215.814
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	373.050.937	687.856.762
I INITIAL (SUBSCRIBED) CAPITAL	068	550.287.010	550.287.010
II CAPITAL RESERVES	069	-350.000	-350.000
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	-14.080	-14.080
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	-14.080	-14.080
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-176.871.993	-176.871.993
1 Retained profit	082	140.401.028	0
2 Loss brought forward	083	317.273.021	176.871.993
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	0	314.805.825
1 Profit for the business year	085	0	314.805.825
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	21.124.655	20.762.155
1 Provisions for pensions, termination benefits and similar obligations	089	11.651.967	11.289.467
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	672.688	672.688
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	8.800.000	8.800.000
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	182.373.542	183.489.830
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	106.620.110	108.075.729
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	1.352.633	1.013.302
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	640.871.025	362.175.880
1 Liabilities to undertakings within the group	108	2.662.506	895.251
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	18.634.186	3.581.788
7 Liabilities for advance payments	114	57.005.346	39.731.079
8 Liabilities to suppliers	115	144.759.170	139.864.308
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	24.425.127	18.963.311
11 Taxes, contributions and similar liabilities	118	20.281.031	19.337.709
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	8.624.680	8.270.658
E) ACCRUALS AND DEFERRED INCOME	122	232.583.492	227.886.350
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.450.003.651	1.482.170.977
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: 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 126 to 130)	125	1.637.622.209	508.953.658	1.410.957.150	451.392.108
1 Income from sales with undertakings within the group	126	29.923.254	541.211	4.317.462	678.751
2 Income from sales (outside group)	127	1.594.055.795	505.897.225	1.399.699.660	448.866.263
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	11.383.022	1.442.696	4.300.486	828.457
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	1.497.738.984	409.101.041	1.080.943.439	370.343.067
1 Changes in inventories of work in progress and finished goods	132	83.261.755	45.494.583	28.194.935	6.480.598
2 Material costs (ADP 134 to 136)	133	1.068.531.434	279.267.135	777.359.452	263.186.743
a) Costs of raw materials and consumables	134	1.012.717.007	254.682.837	717.599.725	229.387.636
b) Costs of goods sold	135	13.657.190	12.505.994	18.567.193	17.530.526
c) Other external costs	136	42.157.237	12.078.304	41.192.534	16.268.581
3 Staff costs (ADP 138 to 140)	137	136.049.015	41.745.352	121.371.955	41.157.045
a) Net salaries and wages	138	85.849.988	26.270.708	76.968.721	26.040.117
b) Tax and contributions from salary costs	139	31.106.151	9.628.972	27.880.238	9.541.157
c) Contributions on salaries	140	19.092.876	5.845.672	16.522.996	5.575.771
4 Depreciation	141	76.320.763	23.549.960	62.813.305	19.612.237
5 Other costs	142	127.640.036	19.800.764	91.193.881	39.906.444
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	533	0
b) current assets other than financial assets	145	125.893	125.877	9.378	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	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	2.780.669	563.239	3.641.663	1.179.257
1 Income from investments in holdings (shares) of undertakings within the group	155	352.544	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	38.981	16.274
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	18.007	7	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	348.141	90.374	261.095	37.665
8 Exchange rate differences and other financial income	162	1.864.991	358.245	2.956.535	1.019.398
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	18.516.097	5.567.307	18.849.549	5.914.496
1 Interest expenses and similar expenses with undertakings within the group	166	108.616	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	2.672	11	0	0
3 Interest expenses and similar expenses	168	15.672.726	5.146.664	12.320.698	3.039.430
4 Exchange rate differences and other expenses	169	2.727.427	420.632	6.133.021	2.875.066
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	395.830	0
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	1.640.402.878	509.516.897	1.414.598.813	452.571.365
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	1.516.255.081	414.668.348	1.099.792.988	376.257.563
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	124.147.797	94.848.549	314.805.825	76.313.802

1 Pre-tax profit (ADP 177-178)	180	124.147.797	94.848.549	314.805.825	76.313.802
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	124.147.797	94.848.549	314.805.825	76.313.802
1 Profit for the period (ADP 179-182)	184	124.147.797	94.848.549	314.805.825	76.313.802
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	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	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	202	124.147.797	94.848.549	314.805.825	76.313.802
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	124.147.797	94.848.549	314.805.825	76.313.802
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	0	0	0	0
1 Attributable to owners of the parent	216	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 1.1.2020. to 30.9.2020.

in HRK

Submitter: PETROKEMJA, 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	124.147.797	314.805.825
2 Adjustments (ADP 003 to 010):	002	91.662.625	71.298.568
a) Depreciation	003	76.320.763	62.813.305
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	-700.685	-300.076
e) Interest expenses	007	15.781.342	12.320.699
f) Provisions	008	-662.000	-362.500
g) Exchange rate differences (unrealised)	009	847.101	-3.176.486
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	3.626
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	215.810.422	386.104.393
3 Changes in the working capital (ADP 013 to 016)	012	-45.813.130	-29.121.815
a) Increase or decrease in short-term liabilities	013	-166.087.655	-24.972.108
b) Increase or decrease in short-term receivables	014	38.030.700	9.385.177
c) Increase or decrease in inventories	015	82.243.825	-13.534.884
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	169.997.292	356.982.578
4 Interest paid	018	-15.100.324	-17.570.918
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	154.896.968	339.411.660
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	155.296	403.677
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	348.158	249.862
4 Dividends received	024	352.544	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	855.998	653.539
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-17.476.416	-26.343.947
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-1.493.038
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	-27.836.985
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-16.620.418	-27.183.446
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	-248.481.356
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	-248.877.186
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-28.919.650	-248.492.134
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	109.356.900	63.736.080
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	384.643.058	479.582.051
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	493.999.958	543.318.131

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														Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year				
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	153.523.269	0	0	14.080	0	0	0	0	0	0	0	-470.796.290	232.999.909	0	232.999.909	
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	550.287.010	153.523.269	0	0	14.080	0	0	0	0	0	0	0	-470.796.290	232.999.909	0	232.999.909	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	140.401.028	140.401.028	0	140.401.028	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	-350.000	0	0	0	0	0	0	0	0	0	0	0	-350.000	0	-350.000	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Transfer to reserves according to the annual schedule	21	0	-153.523.269	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	-317.273.021	470.796.290	0	0	0	
23 Balance on the last day of the previous business year reporting period (04 to 23)	23	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	-317.273.021	140.401.028	373.050.937	0	373.050.937	
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	24	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+24)																		
25	25	0	0	0	0	0	0	0	0	0	0	0	0	140.401.028	140.401.028	0	140.401.028	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)																		
26	26	0	-153.873.269	0	0	0	0	0	0	0	0	0	-317.273.021	470.796.290	-350.000	0	-350.000	
Current period																		
1 Balance on the first day of the current business year	27	550.287.010	-350.000	0	0	14.080	0	0	0	0	0	0	-317.273.021	140.401.028	373.050.937	0	373.050.937	
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	0	0	0	0	0	-317.273.021	140.401.028	373.050.937	0	373.050.937	
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	314.805.825	314.805.825	0	314.805.825	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	140.401.028	-140.401.028	0	0	0	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	-176.871.993	314.805.825	687.856.762	0	687.856.762	
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	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	51	0	0	0	0	0	0	0	0	0	0	0	0	314.805.825	314.805.825	0	314.805.825	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)																		
52	52	0	0	0	0	0	0	0	0	0	0	0	140.401.028	-140.401.028	0	0	0	

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

Name of the issuer: PETROKEMIJA PLC

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

Reporting period: 1 January 2020 – 30 September 2020

The accounting policies followed during the preparation of separate, unconsolidated 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 separate, unconsolidated financial statements have been prepared based on consistent presentation and classification. When the presentation and classification of items in the unconsolidated financial statements are changed, comparative amounts are reclassified, unless reclassification is not feasible. 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 d.d. (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 d.d. financial results ⁽¹⁾ (IFRS)

Q3 2019	Q3 2020	HRK mln	Q1-Q3 2019	Q1-Q3 2020	%
506	450	Sales revenues	1,624	1,404	(14)
124	101	EBITDA ⁽²⁾	216	393	82
116	94	EBITDA excl. special items ⁽³⁾	270	398	47
100	81	Profit/(loss) from operations	140	330	136
93	74	Operating profit excl. special items ⁽³⁾	194	335	73
(5)	(5)	Net result from financial activities	(16)	(15)	(3)
95	76	Net profit/loss	124	315	153
88	69	Net profit/loss for the period excl. special items ⁽³⁾	178	320	80
113	83	Simplified Free Cash Flow ⁽⁴⁾	256	369	44
372	63	Net debt ⁽⁵⁾	372	63	(83)
51	8	Net gearing (%) ⁽⁶⁾	51	8	(84)
4	11	CAPEX	14	29	100

Q3 2019	Q3 2020	EUR mln ⁽⁷⁾	Q1-Q3 2019	Q1-Q3 2020	%
69	60	Sales revenues	219	187	(15)
17	13	EBITDA ⁽²⁾	29	52	79
16	12	EBITDA excl. special items ⁽³⁾	36	53	45
14	11	Profit/(loss) from operations	19	44	132
13	10	Operating profit excl. special items ⁽³⁾	26	45	70
(1)	(1)	Net result from financial activities	(2)	(2)	(5)
13	10	Net profit/loss	17	42	149
12	9	Net profit/loss for the period excl. special items ⁽³⁾	24	43	77
15	11	Simplified Free Cash Flow ⁽⁴⁾	35	49	42
50	8	Net debt ⁽⁵⁾	50	8	(83)
51	8	Net gearing (%) ⁽⁶⁾	51	8	(84)
1	1	CAPEX	2	4	97

⁽¹⁾ At the end of 2019 Petrokemija d.d. adjusted its accounting policy for the treatment of the fee for greenhouse gas emission and related items of assets and liabilities adopting the gross principle. According to the new policy and gross reporting 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 demonstrate 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 1 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 d.d. reduced its sales revenue by 14% to HRK 1,404 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 398 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 63 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 d.d. achieved net profit in the amount of HRK 315 mln compared to HRK 124 mln net profit in the same period last year. Considering the result without special items, net profit for Q1-Q3 2020 amounted to HRK 320 mln as opposed to HRK 178 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 1 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 d.d. in Q1-Q3 2020 was also positively impacted by significantly lower natural gas price and implemented efficiency measures in previous periods.

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

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



Petrokemija, d.d. Unconsolidated Statement of Profit or Loss
For the period ended 30 September 2019 and 2020
(HRK millions)

Q3 2019	Q3 2020	HRK mln	Note	Q1-Q3 2019	Q1-Q3 2020	%
506	450	Sales revenue	1	1,624	1,404	(14)
1	1	Income from own consumption of products and services		2	3	17
1	1	Other operating income		11	4	(62)
509	451	Total operating income		1,638	1,411	(14)
45	6	Inventory change of finished prod. and work in progress		83	28	(66)
255	229	Cost of raw materials and consumables	2	1,013	718	(29)
24	20	Depreciation and amortization	5	76	63	(18)
12	16	Other material costs	2	42	41	(2)
42	41	Staff costs	6	136	121	(11)
13	18	Cost of other goods sold		14	19	36
20	40	Other costs	4	128	91	(29)
0	0	Impairment and charges		0	0	0
(1)	0	Provisions for charges and risks	3	6	0	n.a.
409	370	Operating expenses		1,498	1,081	(28)
100	81	Profit/(Loss) from operations		140	330	136
1	1	Finance income		3	4	31
6	6	Finance costs		19	19	2
(5)	(5)	Net (loss) / profit from financial activities	7	(16)	(15)	(3)
95	76	Profit/(Loss) for the year		124	315	153



Petrokemija, d.d. Unconsolidated 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	(30)
Property, plant and equipment	9	613	577	(6)
Investment in subsidiaries		23	23	(0)
Other investments		0	0	0
Long-term receivables		0	2	n.a.
Deferred tax		0	0	0
Total non-current assets		638	603	(5)
Current assets				
Inventories	10	218	232	6
Trade receivables net	11	39	20	(49)
Other receivables		37	30	(19)
Given loans and deposits		344	306	(11)
Other current assets		98	69	(29)
Prepaid expenses and accrued income		38	54	42
Cash and cash equivalents		39	168	334
Total current assets		812	879	8
Total assets	8	1,450	1,482	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)		(317)	(177)	(44)
Current earnings / (Deficit)		140	315	124
Non-controlling interests		0	0	0
Total equity		373	688	84
Non-current liabilities				
Long-term loans		182	183	1
Other non-current liabilities		0	0	0
Employee benefits provisions		12	11	(3)
Other provisions		9	9	0
Total non-current liabilities		203	204	0
Current liabilities				
Bank loans and other creditors		383	135	(65)
Trade payables	13	145	140	(3)
Taxes and contributions		20	19	(5)
Other current liabilities	14	68	49	(28)
Accruals and deferred income		233	228	(2)
Employee benefits obligation		24	19	(22)
Total current liabilities		873	590	(32)
Total liabilities	12	1,077	794	(26)
Total equity and liabilities		1,450	1,482	2



Petrokemija, d.d. Unconsolidated 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		124	315	154
Adjustments for:				
Depreciation and amortization		76	63	(18)
Gain on sale of property, plant, equipment and impairment		0	0	0
Other finance expense/(income) recognized in profit		15	12	(20)
(Decrease)/increase in provisions		(1)	(0)	(45)
Foreign exchange loss/(gain)		1	(3)	n.a.
Other non-cash items		0	0	0
Operating cash flow before working capital changes	15	216	386	79
Movements in working capital	16	(46)	(29)	(36)
Decrease/(increase) in inventories		82	(14)	n.a.
Decrease/(increase) in receivables and prepayments		38	9	(75)
(Decrease)/increase in trade and other payables		(166)	(25)	(85)
Cash generated from operations		170	357	110
Interest expense (net)		(15)	(18)	16
Net cash inflow from operating activities		155	339	119
Cash flows used in investing activities				
Capital expenditures, exploration and development costs		(17)	(26)	51
Interest on loans, net		0	0	0
Investments and loans to third parties, net		1	(1)	n.a.
Net cash used for investing activities	17	(17)	(27)	64
Cash flows from financing activities				
Issuing of own and debt financial instruments		0	0	0
Repayment borrowings, net		(29)	(248)	759
Other financing activities		0	(0)	n.a.
Net cash used in financing activities		(29)	(248)	759
Net (decrease)/increase in cash and cash equivalents		109	63	(42)
At 1 January		385	480	25
Effect of foreign exchange rate changes		0	0	0
At the end of period		494	543	10

*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 1,404 million and were 14% 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 759 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 63 million was 18% lower compared to Q1-Q3 2019.
6	Staff costs in the amount HRK 121 million were 11% 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 d.d. total assets amounted to HRK 1,482 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 577 million.
10	Inventories amounted to HRK 232 million, and have increased by 6% compared to 31 st December 2019.
11	Trade receivables decreased to HRK 20 million.
12	As at 30 th September 2020. total liabilities amounted to HRK 794 million which is 26% or HRK 283 million lower compared to 31 st December 2019. Petrokemija net debt ⁽²⁾ decreased by 84% compared to 31 st December 2019 and amounted to HRK 63 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 140 million, as a result of lower liabilities for raw materials and consumables.
14	Other current liabilities decreased by 28% to HRK 49 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 386 million in Q1-Q3 2020 representing an increase of HRK 170 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 14 million - decrease in receivables by HRK 9 million - decrease in trade and other payables by HRK 25 million as a result of lower liabilities for raw materials and consumables
17	Net outflows from investing activities amounted to HRK 27 million, which is by HRK 10 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 d.d. 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 1 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 d.d. 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