

## 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:

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 31. 3. 2020

in HRK

Submitter: GRUPA PETROKEMIJA			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	627.407.653	611.104.517
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	2.181.727	2.191.769
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	2.181.727	1.768.039
3 Goodwill	<b>006</b>	0	0
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	0	423.730
6 Other intangible assets	<b>009</b>	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	625.065.962	608.751.047
1 Land	<b>011</b>	44.545.623	44.545.624
2 Buildings	<b>012</b>	181.653.025	177.166.386
3 Plant and equipment	<b>013</b>	360.151.184	344.211.853
4 Tools, working inventory and transportation assets	<b>014</b>	13.647.075	12.623.320
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	4.279.293	4.517.023
7 Tangible assets in preparation	<b>017</b>	16.349.237	21.329.295
8 Other tangible assets	<b>018</b>	4.440.525	4.357.546
9 Investment property	<b>019</b>	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	10.226	10.226
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	0	0
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	0	0
8 Loans, deposits, etc. given	<b>028</b>	0	0
9 Other investments accounted for using the equity method	<b>029</b>	10.226	10.226
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	0
1 Receivables from undertakings within the group	<b>032</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	0	0
4 Other receivables	<b>035</b>	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	149.738	151.475
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	785.120.583	806.227.357
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	225.578.589	190.467.972
1 Raw materials and consumables	<b>039</b>	116.414.499	115.845.698
2 Work in progress	<b>040</b>	27.059.389	13.697.322
3 Finished goods	<b>041</b>	76.367.692	52.857.655
4 Merchandise	<b>042</b>	3.458.463	3.283.316
5 Advances for inventories	<b>043</b>	2.278.546	4.783.981
6 Fixed assets held for sale	<b>044</b>	0	0
7 Biological assets	<b>045</b>	0	0

<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	<b>76.678.885</b>	<b>26.247.983</b>
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	10.405.638
4 Receivables from employees and members of the undertaking	050	7.192	4.425
5 Receivables from government and other institutions	051	34.416.945	14.476.514
6 Other receivables	052	1.859.415	1.361.406
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>440.808.628</b>	<b>458.020.000</b>
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	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	458.020.000
9 Other financial assets	062	97.675.310	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>42.054.481</b>	<b>131.491.402</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>37.946.499</b>	<b>39.529.991</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>1.450.474.735</b>	<b>1.456.861.865</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>972.746.484</b>	<b>966.282.813</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>370.878.510</b>	<b>517.865.739</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>	<b>068</b>	<b>550.287.010</b>	<b>550.287.010</b>
<b>II CAPITAL RESERVES</b>	<b>069</b>	<b>-350.000</b>	<b>-350.000</b>
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>111.920</b>	<b>-14.080</b>
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
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>0</b>	<b>0</b>
<b>V FAIR VALUE RESERVES (ADP 078 to 080)</b>	<b>077</b>	<b>0</b>	<b>0</b>
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
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)</b>	<b>081</b>	<b>-320.984.560</b>	<b>-179.969.898</b>
1 Retained profit	082	0	0
2 Loss brought forward	083	320.984.560	179.969.898
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)</b>	<b>084</b>	<b>140.534.613</b>	<b>147.259.465</b>
1 Profit for the business year	085	140.534.613	147.259.465
2 Loss for the business year	086	0	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>087</b>	<b>1.279.527</b>	<b>653.242</b>
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>22.423.937</b>	<b>22.278.937</b>
1 Provisions for pensions, termination benefits and similar obligations	089	12.605.314	12.466.314
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	898.212	892.212
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	8.920.411

<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>182.578.799</b>	<b>184.814.505</b>
1 Liabilities to undertakings within the group	<b>096</b>	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>097</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>098</b>	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>099</b>	0	0
5 Liabilities for loans, deposits etc.	<b>100</b>	74.400.799	74.400.799
6 Liabilities to banks and other financial institutions	<b>101</b>	106.825.366	109.212.757
7 Liabilities for advance payments	<b>102</b>	0	0
8 Liabilities to suppliers	<b>103</b>	0	0
9 Liabilities for securities	<b>104</b>	0	0
10 Other long-term liabilities	<b>105</b>	1.352.634	1.200.949
11 Deferred tax liability	<b>106</b>	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>641.505.788</b>	<b>565.243.213</b>
1 Liabilities to undertakings within the group	<b>108</b>	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>109</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>110</b>	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>111</b>	0	0
5 Liabilities for loans, deposits etc.	<b>112</b>	364.478.979	337.464.350
6 Liabilities to banks and other financial institutions	<b>113</b>	19.296.832	11.198.178
7 Liabilities for advance payments	<b>114</b>	57.062.734	39.285.282
8 Liabilities to suppliers	<b>115</b>	145.389.920	125.300.850
9 Liabilities for securities	<b>116</b>	0	0
10 Liabilities to employees	<b>117</b>	25.492.982	23.813.949
11 Taxes, contributions and similar liabilities	<b>118</b>	21.142.824	19.898.100
12 Liabilities arising from the share in the result	<b>119</b>	0	0
13 Liabilities arising from fixed assets held for sale	<b>120</b>	0	0
14 Other short-term liabilities	<b>121</b>	8.641.517	8.282.504
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>233.087.701</b>	<b>166.659.472</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>1.450.474.735</b>	<b>1.456.861.866</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>972.746.484</b>	<b>966.282.813</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 1. 1. 2020 to 31. 3. 2020

in HRK

Submitter: GRUPA PETROKEMIJA

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>656.751.761</b>	<b>656.751.761</b>	<b>563.220.018</b>	<b>563.220.018</b>
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	648.314.469	648.314.469	562.448.970	562.448.970
3 Income from the use of own products, goods and services	128	896.040	896.040	227.478	227.478
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	7.541.252	7.541.252	543.570	543.570
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>630.051.736</b>	<b>630.051.736</b>	<b>409.123.760</b>	<b>409.123.760</b>
1 Changes in inventories of work in progress and finished goods	132	18.181.266	18.181.266	36.872.104	36.872.104
2 Material costs (ADP 134 to 136)	133	476.653.655	476.653.655	297.823.866	297.823.866
a) Costs of raw materials and consumables	134	459.417.373	459.417.373	290.297.107	290.297.107
b) Costs of goods sold	135	3.901.249	3.901.249	561.785	561.785
c) Other external costs	136	13.335.033	13.335.033	6.964.974	6.964.974
3 Staff costs (ADP 138 to 140)	137	49.016.188	49.016.188	42.785.616	42.785.616
a) Net salaries and wages	138	31.139.861	31.139.861	27.295.669	27.295.669
b) Tax and contributions from salary costs	139	11.008.254	11.008.254	9.619.941	9.619.941
c) Contributions on salaries	140	6.868.073	6.868.073	5.870.006	5.870.006
4 Depreciation	141	26.871.591	26.871.591	22.602.081	22.602.081
5 Other costs	142	2.548.401	2.548.401	9.011.973	9.011.973
6 Value adjustments (ADP 144+145)	143	141	141	25	25
a) fixed assets other than financial assets	144	139	139	24	24
b) current assets other than financial assets	145	2	2	1	1
7 Provisions (ADP 147 to 152)	146	56.780.494	56.780.494	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	56.780.494	56.780.494	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	28.095	28.095
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>806.531</b>	<b>806.531</b>	<b>1.919.447</b>	<b>1.919.447</b>
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	24.127	24.127	71.578	71.578
8 Exchange rate differences and other financial income	162	759.027	759.027	1.768.201	1.768.201
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	23.377	23.377	79.668	79.668
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>7.321.332</b>	<b>7.321.332</b>	<b>8.756.240</b>	<b>8.756.240</b>
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	5.423.765	5.423.765	4.866.998	4.866.998
4 Exchange rate differences and other expenses	169	1.893.342	1.893.342	3.491.412	3.491.412
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	4.225	4.225	397.830	397.830
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>657.558.292</b>	<b>657.558.292</b>	<b>565.139.465</b>	<b>565.139.465</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>637.373.068</b>	<b>637.373.068</b>	<b>417.880.000</b>	<b>417.880.000</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>20.185.224</b>	<b>20.185.224</b>	<b>147.259.465</b>	<b>147.259.465</b>
1 Pre-tax profit (ADP 177-178)	180	20.185.224	20.185.224	147.259.465	147.259.465

2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>20.185.224</b>	<b>20.185.224</b>	<b>147.259.465</b>	<b>147.259.465</b>
1 Profit for the period (ADP 179-182)	184	20.185.224	20.185.224	147.259.465	147.259.465
2 Loss for the period (ADP 182-179)	185	0	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	<b>20.185.224</b>	<b>20.185.224</b>	<b>147.259.465</b>	<b>147.259.465</b>
1 Attributable to owners of the parent	200	20.404.271	20.404.271	147.885.750	147.885.750
2 Attributable to minority (non-controlling) interest	201	-219.047	-219.047	-626.285	-626.285
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	<b>20.185.224</b>	<b>20.185.224</b>	<b>147.885.750</b>	<b>147.885.750</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	<b>20.185.224</b>	<b>20.185.224</b>	<b>147.885.750</b>	<b>147.885.750</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)</b>	<b>215</b>	<b>20.185.224</b>	<b>20.185.224</b>	<b>147.259.465</b>	<b>147.259.465</b>
1 Attributable to owners of the parent	216	20.404.271	20.404.271	147.885.750	147.885.750
2 Attributable to minority (non-controlling) interest	217	-219.047	-219.047	-626.285	-626.285

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 1. 1. 2020 to 31. 3. 2020

in HRK

Submitter: GRUPA PETROKEMIJA			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	20.185.224	147.259.465
2 Adjustments (ADP 003 to 010):	002	33.445.906	25.529.291
a) Depreciation	003	26.871.591	22.602.081
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	101.050	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	-22.127	-71.577
e) Interest expenses	007	5.423.765	4.866.998
f) Provisions	008	-30.500	-145.000
g) Exchange rate differences (unrealised)	009	1.102.127	-1.723.211
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>53.631.130</b>	<b>172.788.756</b>
3 Changes in the working capital (ADP 013 to 016)	012	-82.246.651	-15.446.213
a) Increase or decrease in short-term liabilities	013	-122.607.226	-98.918.460
b) Increase or decrease in short-term receivables	014	28.112.370	48.361.630
c) Increase or decrease in inventories	015	12.248.205	35.110.617
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-28.615.521</b>	<b>157.342.543</b>
4 Interest paid	018	-2.272.870	-11.830.677
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-30.888.391</b>	<b>145.511.866</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	369.359
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	24.488	108.330
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
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>24.488</b>	<b>477.689</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-8.633.912	-6.297.208
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
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-8.633.912</b>	<b>-6.297.208</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-8.609.424</b>	<b>-5.819.519</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	0
4 Other cash receipts from financing activities	038	0	79.668
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>0</b>	<b>79.668</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-9.439.884	-32.725.892
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	-397.830
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-9.439.884</b>	<b>-33.123.722</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-9.439.884</b>	<b>-33.044.054</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-48.937.699</b>	<b>106.648.293</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>386.006.808</b>	<b>482.863.110</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>337.069.109</b>	<b>589.511.403</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the period from 1.1.2020 to 31.3.2020

in HRK

Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 + 7 + 8 to 15)	17	18 (16+17)	
<b>Previous period</b>																		
1 Balance on the first day of the previous business year	01	550.287.010	153.523.269	0	0	14.080	0	38.679	0	0	0	0	-1.576.896	-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	153.523.269	0	0	14.080	0	38.679	0	0	0	0	-1.576.896	-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	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	-153.523.270	0	0	0	0	87.322	0	0	0	0	-19.949.363	473.511.311	126.000	0	126.000	
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 22)	23	550.287.010	-350.001	0	0	14.080	0	128.001	0	0	0	0	-320.988.185	140.534.613	369.595.358	1.279.527	370.874.885	
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																		
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	0	-153.873.270	0	0	0	0	87.322	0	0	0	0	-19.949.363	473.511.311	-224.000	0	-224.000	
<b>Current period</b>																		
1 Balance on the first day of the current business year	27	550.287.010	-350.000	0	0	14.080	0	128.000	0	0	0	0	-320.988.185	140.534.613	369.595.358	1.279.527	370.874.885	
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	483.674	0	483.674	0	483.674	
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	128.000	0	0	0	0	-320.504.511	140.534.613	370.079.032	1.279.527	371.358.559	
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	147.259.465	147.259.465	0	147.259.465	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-626.285	-626.285	
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	0	0	-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	-320.504.511	287.794.078	517.212.487	653.242	517.865.739	
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																		
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	-626.285	-626.285
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	147.259.465	147.259.465	-626.285	146.633.180	
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	0	0	-126.000	0	-126.000	



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

Name of the issuer: PETROKEMIJA, d.d.

Personal identification number (OIB): 24503685008

Reporting period: 1 January 2020. to 31 March 2020.

Consolidate financial statements have been prepared based on consistent presentation and classification.

The main accounting policies applied in the preparation of consolidated financial statements of the Group (Group Petrokemija I. – III.2020.) are IAS 34 and the Accounting Policies of Petrokemija Group. These policies have been consistently applied to all periods, unless stated otherwise.

The Management Board approved the latest version of accounting policies in January 2020 (effective as of 31 December 2019). The policies were updated to reflect the new IFRS 16 Leases, and a new accounting policy for the treatment of the right-of-use assets and lease agreements now applies.

At the end of 2019, the Group adjusted the accounting policy for the treatment of the fee for greenhouse gas emissions and related items of assets and liabilities. According to the new policy 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.

Accordingly, the Group reclassified (reduced) the financial income and operating costs by HRK 23 mil value in the first quarter of 2019.

The Financial Statements of Group Petrokemija present in detail significant business events as of 31 March 2020.

The 2019 annual financial statements, as well as the Financial Statements as of 31 March 2020 are available at [www.petrokemija.hr](http://www.petrokemija.hr)



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

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

2019	HRK mln	Q1 2019	Q1 2020	%
2,120	Sales revenues	648	562	(13)
263	EBITDA <sup>(2)</sup>	54	177	230
<b>331</b>	<b>EBITDA excl. special items <sup>(3)</sup></b>	<b>88</b>	<b>159</b>	<b>82</b>
162	Profit/(loss) from operations	27	154	477
<b>231</b>	<b>Operating profit excl. special items <sup>(3)</sup></b>	<b>61</b>	<b>137</b>	<b>126</b>
(22)	Net result from financial activities	(7)	(7)	5
141	Net profit/loss	20	147	630
<b>209</b>	<b>Net profit/loss for the period excl. special items <sup>(3)</sup></b>	<b>54</b>	<b>130</b>	<b>140</b>
<b>307</b>	<b>Simplified Free Cash Flow <sup>(4)</sup></b>	<b>80</b>	<b>155</b>	<b>93</b>
396	Net debt <sup>(5)</sup>	550	172	(69)
52	Net gearing (%) <sup>(6)</sup>	69	25	(64)
<b>24</b>	<b>CAPEX</b>	<b>7</b>	<b>4</b>	<b>(37)</b>

2019	EUR mln <sup>(7)</sup>	Q1 2019	Q1 2020	%
286	Sales revenues	87	75	(14)
35	EBITDA <sup>(2)</sup>	7	24	227
<b>45</b>	<b>EBITDA excl. special items <sup>(3)</sup></b>	<b>12</b>	<b>21</b>	<b>81</b>
22	Profit/(loss) from operations	4	21	472
<b>31</b>	<b>Operating profit excl. special items <sup>(3)</sup></b>	<b>8</b>	<b>18</b>	<b>124</b>
(3)	Net result from financial activities	(1)	(1)	4
19	Net profit/loss	3	20	624
<b>28</b>	<b>Net profit/loss for the period excl. special items <sup>(3)</sup></b>	<b>7</b>	<b>17</b>	<b>138</b>
<b>41</b>	<b>Simplified Free Cash Flow <sup>(4)</sup></b>	<b>11</b>	<b>21</b>	<b>91</b>
53	Net debt <sup>(5)</sup>	74	23	(69)
52	Net gearing (%) <sup>(6)</sup>	69	25	(64)
<b>3</b>	<b>CAPEX</b>	<b>1</b>	<b>1</b>	<b>(38)</b>

<sup>(1)</sup> 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

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

<sup>(3)</sup> In Q1 2020 EBITDA, Operating and net profit were positively impacted by HRK 19 mln of special items related to the value adjustment of liabilities for CO2 emission charges and negatively impacted by HRK 1 mln of special items related to severance payments, in Q1 2019 EBITDA, Operating and net loss were positively impacted by HRK 23 mln value adjustment of liabilities for CO2 emission charges and negatively impacted by HRK 57 mln reservations for severance payments

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

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

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

<sup>(7)</sup> In converting HRK figures into EUR, the following average CNB (HNB) rates were used: for Q1 2019 – 7.42 HRK/EUR; Q1 2020 – 7.48 HRK/EUR; as at March 31<sup>st</sup>, 2019 – 7.43 HRK/EUR; as at March 31<sup>st</sup>, 2020 – 7.61 HRK/EUR

The COVID 19 pandemic did not have a negative impact on the demand for mineral fertilizers in Q1 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 three months of 2020 Petrokemija Group reduced its sales revenue by 13% to HRK 562 mln, the decrease in revenue was mainly caused by slightly 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 159 mln, compared to the Q1 2019 it increased significantly due to stable production, continuous sales and low natural gas price. Net debt significantly decreased compared to Q1 2019 and amounts to HRK 172 mln with the gearing rate at 25%.



## Management discussion

### Production and sales

2019	Fertilizers production (kt)	Q1 2019	Q1 2020	%
1,135	Fertilizers	314	312	(1)
2019	Fertilizers sales (kt)	Q1 2019	Q1 2020	%
340	Domestic market	149	130	(12)
788	Export	183	190	4
<b>1,128</b>	<b>Total fertilizers sales (kt)</b>	<b>331</b>	<b>321</b>	<b>(3)</b>

### Main external parameters

2019		Q1 2019	Q1 2020	%
14.75	Natural gas price* (EUR/MWh)	19.47	10.64	(45)
24.93	CO2 European Emission Allowances-EUA** (EUR/unit)	21.45	17.54	(18)
6.62	HRK/USD average	6.53	6.78	4
6.65	HRK/USD closing	6.61	6.88	4
7.41	HRK/EUR average	7.42	7.48	1
7.44	HRK/EUR closing	7.43	7.61	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 2019
- Lower total sales volumes on domestic market and higher on export markets
- Lower natural gas price as a result of lower gas prices in European markets
- Reduced price of CO2 Emissions allowances (EUA)

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

In Q1 2020, Petrokemija Group achieved net profit in the amount of HRK 147 mln compared to HRK 20 mln net profit in the same period last year. Considering the result without special items, net profit for Q1 2020 amounted to HRK 130 mln as opposed to HRK 54 mln net profit in Q1 2019. Special items imply HRK 19 mln positive effect of value adjustment of liabilities for CO2 emission charges in Q1 2020 and HRK 23 mln in Q1 2019. In Q1 2020 special items were also HRK 1 mln provisions for severance payments and in Q1 2019 HRK 57 mln reservation 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 2020. The performance of Petrokemija Group in Q1 2020 was also positively impacted by implemented efficiency measures, lower natural gas price and lower price of CO2 emission allowances.

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. Current structure of the Company's assets and liabilities, as well as current level of organizing and adapting to conducting business in crisis conditions, demonstrates Company's ability to face upcoming challenges.



**Petrokemija Group Consolidated Statement of Profit or Loss**  
**For the period ended 31 March 2020 and 2019**  
 (HRK millions)

2019	HRK mln	Note	Q1 2019	Q1 2020	%
<b>2,120</b>	<b>Sales revenue</b>	1	<b>648</b>	<b>562</b>	<b>(13)</b>
3	Income from own consumption of products and services		1	0	(75)
22	Other operating income		8	1	(93)
<b>2,145</b>	<b>Total operating income</b>		<b>657</b>	<b>563</b>	<b>(14)</b>
67	Inventory change of finished prod. and work in progress		18	37	103
1.335	Cost of raw materials and consumables	2	459	290	(37)
100	Depreciation and amortization	5	27	23	(16)
52	Other material costs	2	13	7	(48)
188	Staff costs	6	49	43	(13)
20	Cost of other goods sold		4	1	(86)
203	Other costs	4	3	9	254
11	Impairment and charges		0	0	(82)
5	Provisions for charges and risks	3	57	0	n.a.
<b>1,982</b>	<b>Operating expenses</b>		<b>630</b>	<b>409</b>	<b>(35)</b>
<b>162</b>	<b>Profit/(Loss) from operations</b>		<b>27</b>	<b>154</b>	<b>477</b>
3	Finance income		1	2	138
25	Finance costs		7	9	20
<b>(22)</b>	<b>Net (loss) / profit from financial activities</b>	7	<b>(7)</b>	<b>(7)</b>	<b>5</b>
<b>141</b>	<b>Profit/(Loss) for the year</b>		<b>20</b>	<b>147</b>	<b>630</b>



**Petrokemija Group Consolidated Statement of Financial Position**  
**At 31 March 2020**  
**(HRK millions)**

HRK mln	Note	31 Dec 2019	31 March 2020	%
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		2	2	0
Property, plant and equipment	9	625	609	(3)
Investment in subsidiaries		0	0	n.a.
Other investments		0	0	n.a.
Long-term receivables		0	0	n.a.
Deferred tax		0	0	n.a.
<b>Total non-current assets</b>		<b>627</b>	<b>611</b>	<b>(3)</b>
<b>Current assets</b>				
Inventories	10	226	190	(16)
Trade receivables net	11	40	10	(74)
Other receivables		36	16	(56)
Given loans and deposits		343	458	33
Other current assets		98	0	n.a.
Prepaid expenses and accrued income		38	40	4
Cash and cash equivalents		42	131	213
<b>Total current assets</b>		<b>823</b>	<b>846</b>	<b>3</b>
<b>Total assets</b>	<b>8</b>	<b>1,450</b>	<b>1,457</b>	<b>0</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital		550	550	0
Capital reserves		(0)	(0)	0
Other reserves		(0)	(0)	0
Retained earnings / (Deficit)		(321)	(180)	(44)
Current earnings / (Deficit)		141	147	5
Non-controlling interests		1	1	(49)
<b>Total equity</b>		<b>371</b>	<b>518</b>	<b>40</b>
<b>Non-current liabilities</b>				
Long-term loans		183	185	1
Other non-current liabilities		0	0	n.a.
Employee benefits provisions		13	12	(1)
Other provisions		10	10	(0)
<b>Total non-current liabilities</b>		<b>205</b>	<b>207</b>	<b>1</b>
<b>Current liabilities</b>				
Bank loans and overdrafts		384	349	(9)
Trade payables	13	145	125	(14)
Taxes and contributions		21	20	(6)
Other current liabilities	14	66	48	(28)
Accruals and deferred income		233	167	(28)
Employee benefits obligation		25	24	(7)
<b>Total current liabilities</b>		<b>875</b>	<b>732</b>	<b>(16)</b>
<b>Total liabilities</b>	<b>12</b>	<b>1,080</b>	<b>939</b>	<b>(13)</b>
<b>Total equity and liabilities</b>		<b>1,450</b>	<b>1,457</b>	<b>0</b>



**Petrokemija Group Consolidated Statement of Cash Flow**  
**For the period ended 31 March 2019 and 2020**  
**(HRK millions)**

HRK mln	Note	Q1 2019	Q1 2020	%
<b>Profit for the year</b>		<b>20</b>	<b>147</b>	<b>630</b>
<b>Adjustments for:</b>				
Depreciation and amortization		27	23	(16)
Gain on sale of property, plant, equipment and impairments		0	0	n.a.
Other finance expense/(income) recognized in profit		5	5	(11)
(Decrease)/increase in provisions		(0)	(0)	375
Foreign exchange loss/(gain)		1	(2)	n.a.
Other non-cash items		0	0	n.a.
<b>Operating cash flow before working capital changes</b>	15	<b>54</b>	<b>173</b>	<b>222</b>
<b>Movements in working capital</b>	16	<b>(82)</b>	<b>(15)</b>	
Decrease/(increase) in inventories		12	35	187
Decrease/(increase) in receivables and prepayments		28	48	72
(Decrease)/increase in trade and other payables		(123)	(99)	(19)
<b>Cash generated from operations</b>		<b>(29)</b>	<b>157</b>	<b>n.a.</b>
Interest expense (net)		(2)	(12)	421
<b>Net cash inflow from operating activities</b>		<b>(31)</b>	<b>146</b>	<b>n.a.</b>
<b>Cash flows used in investing activities</b>				
Capital expenditures		(9)	(6)	(27)
Interest on loans, net		0	0	n.a.
Investments and loans to third parties, net		0	0	n.a.
<b>Net cash used for investing activities</b>	17	<b>(9)</b>	<b>(6)</b>	<b>(32)</b>
<b>Cash flows from financing activities</b>				
Issuing of own and debt financial instruments		0	0	n.a.
Repayment borrowings, net		(9)	(33)	247
Other financing activities		0	(0)	0
<b>Net cash used in financing activities</b>		<b>(9)</b>	<b>(33)</b>	<b>250</b>
Net (decrease)/increase in cash and cash equivalents*		(49)	107	n.a.
At 1 January		386	483	25
Effect of foreign exchange rate changes		0	0	n.a.
At the end of period		337	590	75

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



## Financial overview and notes

### STATEMENT OF PROFIT OR LOSS

Notes	Q1 2020 RESULTS <sup>(1)</sup>
1	<b>Total sales revenues</b> in Q1 2020 amounted to HRK 562 million and were 13% lower compared to Q1 2019, triggered mainly due to lower sales prices.
2	<b>Costs of raw materials, consumables and other material costs</b> were 37% lower than in Q1 2019, at HRK 290 million, mainly due to lower cost of natural gas, mono ammonium and diammonium phosphate.
3	There were no <b>provisions</b> in Q1 2020, while in Q1 2019 provisions for severance payments amounted to HRK 57 million.
4	Other <b>operating costs</b> realized in Q1 2020 are above the level of Q1 2019, mainly because of higher cost for intellectual services.
5	<b>Depreciation</b> in the amount of HRK 23 million was 16% lower compared to Q1 2019.
6	<b>Staff costs</b> in the amount HRK 43 million were 13% lower compared to Q1 2019.
7	<b>Net result from financial activities</b> is negative in Q1 2020 and amounts to HRK 7 million
	- Net foreign exchange loss was HRK 2 million in Q1 2020 while in Q1 2019 net foreign exchange gain was HRK 1 million.
	- Net interest payable amounted to HRK 5 million in Q1 2020 the same as in Q1 2019.

### STATEMENT OF FINANCIAL POSITION

Notes	
8	As at 31 <sup>st</sup> March 2020 Petrokemija Group <b>total assets</b> amounted to HRK 1,457 million, which is at the level of total assets as of 31 <sup>st</sup> December 2019.
9	In the period ended 31 <sup>st</sup> March 2020, Petrokemija Group invested HRK 4 million in <b>property, plant and equipment</b> . The effect of depreciation reduced net book value of property, plant and equipment to amount of HRK 609 million.
10	<b>Inventories</b> amounted to HRK 190 million, and have decreased by 16% compared to 31 <sup>st</sup> December 2019 mainly as a result of higher finished product sales compared to production.
11	<b>Trade receivables</b> decreased to HRK 10 million.
12	As at 31 <sup>st</sup> March 2020, <b>total liabilities</b> amounted to HRK 939 million which is 13% or HRK 141 million lower compared to 31 <sup>st</sup> December 2019. Petrokemija Group <b>net debt</b> <sup>(2)</sup> decreased by 57% compared to 31 <sup>st</sup> December 2019 and amounted to HRK 172 million. <b>Gearing ratio</b> decreased from 52% as at 31 <sup>st</sup> December 2019, to 25% as at 31 <sup>st</sup> March 2020.
13	<b>Trade payables</b> decreased by 14% to HRK 125 million, as a result of lower liabilities for raw materials and consumables.
14	<b>Other current liabilities</b> decreased by 28% to HRK 48 million, out of which liabilities for advance payments decreased from HRK 57 million to HRK 39 million.

### CASH FLOW

Notes	
15	The <b>operating cash-flow before changes in working capital</b> amounted to HRK 173 million in Q1 2020 representing an increase of HRK 119 million compared to Q1 2019, which is in line with the change in EBITDA performance compared to the previous year.
16	<b>Changes in working capital</b> affected the operating cash flow negatively by HRK 15 million in Q1 2020, due to: <ul style="list-style-type: none"> <li>- decreased value of inventories by HRK 35 million mainly related to higher sales than production and consequently lower inventories of finished products</li> <li>- decrease in receivables by HRK 48 million</li> <li>- decrease in trade and other payables by HRK 99 million as a result of lower liabilities for raw materials and consumables.</li> </ul>
17	<b>Net outflows from investing activities</b> amounted to HRK 6 million, which is lower compared to Q1 2019.

#### Restatement

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

<sup>(2)</sup> Petrokemija Group 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 2020 EBITDA, Operating and net profit were positively impacted by HRK 19 mln of special items related to the value adjustment of liabilities for CO2 emission charges and negatively impacted by HRK 1 mln of special items related to severance payments, in Q1 2019 EBITDA, Operating and net loss were positively impacted by HRK 23 mln value adjustment of liabilities for CO2 emission charges and negatively impacted by HRK 57 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 31<sup>st</sup> of December 2019.

As of 31<sup>st</sup> March 2020 Petrokemija Group, had credit debt of HRK 532 million, out of which HRK 348 million is related to short-term debt and HRK 183 million relates to long-term debt, HRK 120 million relates to Banks and others, while HRK 412 million relates to debt to gas suppliers (HEP, INA and PPD). Average interest rate during the Q1 2020 was 3.47% per annum.

## Management representation

Petrokemija Group financial statements for Q1 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 MB member ceased on December 31<sup>st</sup> of 2019. Mr. Juraj Kojundžić, has been appointed member of the management board in charge of finance as of January 1<sup>st</sup>, 2020.

Management Board:

<b>Davor Žmegač</b>	<b>President</b>
<b>Juraj Kojundžić</b>	<b>Member</b>
<b>Željko Marić</b>	<b>Member</b>
<b>Peter Suba</b>	<b>Member</b>