

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: 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	624.203.855
I INTANGIBLE ASSETS (ADP 004 to 009)	003	2.181.727	2.191.770
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	2.181.727	1.768.039
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	423.731
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	613.099.115	597.663.344
1 Land	011	43.947.414	43.947.414
2 Buildings	012	173.669.042	169.397.928
3 Plant and equipment	013	361.280.680	345.914.373
4 Tools, working inventory and transportation assets	014	13.563.180	12.547.066
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	4.279.293	4.517.022
7 Tangible assets in preparation	017	15.896.812	20.876.870
8 Other tangible assets	018	462.694	462.671
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	794.849.540
I INVENTORIES (ADP 039 to 045)	038	218.192.981	183.259.698
1 Raw materials and consumables	039	110.725.680	110.791.524
2 Work in progress	040	27.059.389	13.697.322
3 Finished goods	041	74.736.624	50.874.022
4 Merchandise	042	3.458.462	3.283.315
5 Advances for inventories	043	2.212.826	4.613.515
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	24.372.234
1 Receivables from undertakings within the group	047	712.865	684.313
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	38.958.333	8.327.577
4 Receivables from employees and members of the undertaking	050	7.092	4.325
5 Receivables from government and other institutions	051	34.268.337	14.338.988
6 Other receivables	052	1.856.894	1.017.031
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	441.208.628	458.420.000
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	458.020.000
9 Other financial assets	062	97.675.310	0
IV CASH AT BANK AND IN HAND	063	38.773.424	128.797.608
D) PREPAID EXPENSES AND ACCRUED INCOME	064	37.884.926	39.526.806
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.450.003.651	1.458.580.201
OFF-BALANCE SHEET ITEMS	066	972.746.484	966.282.813
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	373.050.937	523.054.184
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	140.401.028
2 Loss brought forward	083	317.273.021	317.273.021
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	0	150.003.247
1 Profit for the business year	085	0	150.003.247
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	20.998.655
1 Provisions for pensions, termination benefits and similar obligations	089	11.651.967	11.525.967
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	184.609.249
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	109.007.501
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	1.200.949
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	640.871.025	563.410.996
1 Liabilities to undertakings within the group	108	2.662.506	1.291.089
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	337.464.350
6 Liabilities to banks and other financial institutions	113	18.634.186	10.838.005
7 Liabilities for advance payments	114	57.005.346	39.278.331
8 Liabilities to suppliers	115	144.759.170	124.048.029
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	24.425.127	22.926.509
11 Taxes, contributions and similar liabilities	118	20.281.031	19.300.312
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	8.264.371
E) ACCRUALS AND DEFERRED INCOME	122	232.583.492	166.507.117
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.450.003.651	1.458.580.201
G) OFF-BALANCE SHEET ITEMS	124	972.746.484	966.282.813

STATEMENT OF PROFIT OR LOSS
for the period 1. 1. 2020 to 31. 3. 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	651.829.675	651.829.675	559.640.999	559.640.999
1 Income from sales with undertakings within the group	126	27.549.813	27.549.813	1.921.045	1.921.045
2 Income from sales (outside group)	127	615.518.537	615.518.537	557.016.215	557.016.215
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	7.865.285	7.865.285	476.261	476.261
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	623.098.826	623.098.826	402.818.600	402.818.600
1 Changes in inventories of work in progress and finished goods	132	18.181.266	18.181.266	37.224.669	37.224.669
2 Material costs (ADP 134 to 136)	133	473.486.229	473.486.229	298.143.465	298.143.465
a) Costs of raw materials and consumables	134	458.876.177	458.876.177	288.134.012	288.134.012
b) Costs of goods sold	135	576.705	576.705	561.786	561.786
c) Other external costs	136	14.033.347	14.033.347	9.447.667	9.447.667
3 Staff costs (ADP 138 to 140)	137	46.394.522	46.394.522	39.118.658	39.118.658
a) Net salaries and wages	138	29.360.626	29.360.626	24.883.071	24.883.071
b) Tax and contributions from salary costs	139	10.515.672	10.515.672	8.880.398	8.880.398
c) Contributions on salaries	140	6.518.224	6.518.224	5.355.189	5.355.189
4 Depreciation	141	26.512.355	26.512.355	21.840.806	21.840.806
5 Other costs	142	1.743.819	1.743.819	6.490.977	6.490.977
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	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	815.306	815.306	1.917.797	1.917.797
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	6.610	6.610
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	15.860	15.860	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	22.743	22.743	67.176	67.176
8 Exchange rate differences and other financial income	162	753.325	753.325	1.764.459	1.764.459
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	23.378	23.378	79.552	79.552
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	7.371.390	7.371.390	8.736.949	8.736.949
1 Interest expenses and similar expenses with undertakings within the group	166	64.110	64.110	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	1.867	1.867	0	0
3 Interest expenses and similar expenses	168	5.417.751	5.417.751	4.864.953	4.864.953
4 Exchange rate differences and other expenses	169	1.883.437	1.883.437	3.476.166	3.476.166
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	395.830	395.830
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	652.644.981	652.644.981	561.558.796	561.558.796
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	630.470.216	630.470.216	411.555.549	411.555.549
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	22.174.765	22.174.765	150.003.247	150.003.247
1 Pre-tax profit (ADP 177-178)	180	22.174.765	22.174.765	150.003.247	150.003.247

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	22.174.765	22.174.765	150.003.247	150.003.247
1 Profit for the period (ADP 179-182)	184	22.174.765	22.174.765	150.003.247	150.003.247
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	22.174.765	22.174.765	15.003.247	15.003.247
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	22.174.765	22.174.765	15.003.247	15.003.247
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 31.3.2020.

in HRK

Submitter: PETROKEMIJA, d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	22.174.765	150.003.247
2 Adjustments (ADP 003 to 010):	002	33.180.643	24.797.892
a) Depreciation	003	26.512.355	21.840.806
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	-22.743	-73.786
e) Interest expenses	007	5.481.861	4.864.953
f) Provisions	008	-8.000	-126.000
g) Exchange rate differences (unrealised)	009	1.116.120	-1.711.707
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	55.355.408	174.801.139
3 Changes in the working capital (ADP 013 to 016)	012	-86.635.528	-15.564.781
a) Increase or decrease in short-term liabilities	013	-124.740.716	-99.797.407
b) Increase or decrease in short-term receivables	014	28.572.447	49.299.343
c) Increase or decrease in inventories	015	9.532.741	34.933.283
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-31.280.120	159.236.358
4 Interest paid	018	-2.272.870	-11.837.287
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-33.552.990	147.399.071
Cash flow from investment activities			
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	114.940
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	24.488	484.299
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-8.633.912	-6.415.078
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	-8.633.912	-7.908.116
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-8.609.424	-7.423.817
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	79.552
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	79.552
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-9.439.884	-32.423.419
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	-9.439.884	-32.819.249
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-9.439.884	-32.739.697
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	-51.602.298	107.235.557
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	333.040.760	586.817.608

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

Separate, unconsolidated financial statements have been prepared based on consistent presentation and classification.

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

The Management Board approved the latest version of Petrokemija's 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 Company 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 demonstrated in the Profit and Loss under the operating cost, whereas previously they have been demonstrated in the financial expenses.

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

The Financial Statements of Petrokemija PLC 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



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

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

2019	HRK mln	Q1 2019	Q1 2020	%
2,107	Sales revenues	643	559	(13)
265	EBITDA ⁽²⁾	55	179	223
334	EBITDA excl. special items ⁽³⁾	89	160	79
167	Profit/(loss) from operations	29	157	446
235	Operating profit excl. special items ⁽³⁾	63	138	121
(26)	Net result from financial activities	(7)	(7)	4
140	Net profit/loss	22	150	576
209	Net profit/loss for the period excl. special items ⁽³⁾	56	131	134
311	Simplified Free Cash Flow ⁽⁴⁾	82	156	90
397	Net debt ⁽⁵⁾	551	173	(69)
52	Net gearing (%) ⁽⁶⁾	68	25	(64)
23	CAPEX	7	4	(38)

2019	EUR mln ⁽⁷⁾	Q1 2019	Q1 2020	%
284	Sales revenues	87	75	(14)
36	EBITDA ⁽²⁾	7	24	221
45	EBITDA excl. special items ⁽³⁾	12	21	78
22	Profit/(loss) from operations	4	21	441
32	Operating profit excl. special items ⁽³⁾	8	18	119
(4)	Net result from financial activities	(1)	(1)	3
19	Net profit/loss	3	20	571
28	Net profit/loss for the period excl. special items ⁽³⁾	8	18	132
42	Simplified Free Cash Flow ⁽⁴⁾	11	21	88
53	Net debt ⁽⁵⁾	74	23	(69)
52	Net gearing (%) ⁽⁶⁾	68	25	(64)
3	CAPEX	1	1	(38)

⁽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 demonstrated in the Profit and Loss under the operating cost, whereas previously they have been demonstrated in the financial expenses

⁽²⁾ EBITDA = EBIT + Depreciation and amortization

⁽³⁾ In Q1 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, 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

⁽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 Q1 2019 – 7.42 HRK/EUR; Q1 2020 – 7.48 HRK/EUR; as at March 31st, 2019 – 7.43 HRK/EUR; as at March 31st, 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 d.d. reduced its sales revenue by 13% to HRK 559 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 160 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 173 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
1,128	Total fertilizers sales (kt)	331	321	(3)

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 d.d. achieved net profit in the amount of HRK 150 mln compared to HRK 22 mln net profit in the same period last year. Considering the result without special items, net profit for Q1 2020 amounted to HRK 131 mln as opposed to HRK 56 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 2019 special items were also HRK 57 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 2020. The performance of Petrokemija d.d. 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, d.d. Unconsolidated Statement of Profit or Loss
For the period ended 31 March 2020 and 2019
(HRK millions)

2019	HRK mln	Note	Q1 2019	Q1 2020	%
2,107	Sales revenue	1	643	559	(13)
3	Income from own consumption of products and services		1	0	n.a.
21	Other operating income		8	0	n.a.
2,131	Total operating income		652	560	(14)
67	Inventory change of finished prod. and work in progress		18	37	105
1,333	Cost of raw materials and consumables	2	459	288	(37)
99	Depreciation and amortization	5	27	22	(18)
59	Other material costs	2	14	9	(33)
177	Staff costs	6	46	39	(16)
15	Cost of other goods sold		1	1	(3)
200	Other costs	4	2	6	272
11	Impairment and charges		0	0	0
4	Provisions for charges and risks	3	57	0	n.a.
1,965	Operating expenses		623	403	(35)
167	Profit/(Loss) from operations		29	157	446
3	Finance income		1	2	135
29	Finance costs		7	9	19
(26)	Net (loss) / profit from financial activities	7	(7)	(7)	4
140	Profit/(Loss) for the year		22	150	576



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

HRK mln	Note	31 Dec 2019	31 March 2020	%
Assets				
Non-current assets				
Intangible assets		2	2	0
Property, plant and equipment	9	613	598	(3)
Investment in subsidiaries		23	23	(0)
Other investments		0	0	n.a.
Long-term receivables and other assets		0	1	n.a.
Deferred tax		0	0	n.a.
Total non-current assets		638	624	(2)
Current assets				
Inventories	10	218	183	(16)
Trade receivables net	11	39	8	(79)
Other receivables		37	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		39	129	232
Total current assets		811	834	3
Total assets	8	1,450	1,459	1
Equity and liabilities				
Capital and reserves				
Share capital		550	550	0
Capital reserves		(0)	(0)	0
Other reserves		(0)	(0)	0
Retained earnings / (Deficit)		(177)	(177)	0
Current earnings / (Deficit)		0	150	n.a.
Non-controlling interests		0	0	n.a.
Total equity		373	523	40
Non-current liabilities				
Long-term loans		182	185	1
Other non-current liabilities		0	0	n.a.
Employee benefits provisions		12	12	(1)
Other provisions		9	9	0
Total non-current liabilities		203	206	1
Current liabilities				
Bank loans and overdrafts		383	348	(9)
Trade payables	13	145	124	(14)
Taxes and contributions		20	19	(5)
Other current liabilities	14	68	49	(28)
Accruals and deferred income		233	167	(28)
Employee benefits obligation		24	23	(6)
Total current liabilities		873	730	(16)
Total liabilities	12	1,077	936	(13)
Total equity and liabilities		1,450	1,459	1



Petrokemija, d.d. Unconsolidated Statement of Cash Flow
For the period ended 31 March 2019 and 2020
(HRK millions)

HRK mln	Note	Q1 2019	Q1 2020	%
Profit for the year		22	150	576
Adjustments for:				
Depreciation and amortization		27	22	(18)
Gain on sale of property, plant, equipment and impairments		0	0	n.a.
Other finance expense/(income) recognized in profit		5	5	(12)
(Decrease)/increase in provisions		(0)	(0)	n.a.
Foreign exchange loss/(gain)		1	(2)	n.a.
Other non-cash items		0	0	n.a.
Operating cash flow before working capital changes	15	55	175	216
Movements in working capital	16	(87)	(16)	(82)
Decrease/(increase) in inventories		10	35	266
Decrease/(increase) in receivables and prepayments		29	49	73
(Decrease)/increase in trade and other payables		(125)	(100)	(20)
Cash generated from operations		(31)	159	n.a.
Interest expense (net)		(2)	(12)	421
Net cash inflow from operating activities		(34)	147	n.a.
Cash flows used in investing activities				
Capital expenditures		(9)	(6)	(26)
Interest on loans, net		0	0	0
Investments and loans to third parties, net		0	(1)	n.a.
Net cash used for investing activities	17	(9)	(7)	(14)
Cash flows from financing activities				
Issuing of own and debt financial instruments		0	0	n.a.
Repayment borrowings, net		(9)	(32)	243
Other financing activities		0	(0)	n.a.
Net cash used in financing activities		(9)	(33)	247
Net (decrease)/increase in cash and cash equivalents*		(52)	107	n.a.
At 1 January		385	480	25
Effect of foreign exchange rate changes		0	0	0
At the end of period		333	587	76

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



Financial overview and notes

STATEMENT OF PROFIT OR LOSS

Notes	Q1 2020 RESULTS ⁽¹⁾
1	Total sales revenues in Q1 2020 amounted to HRK 559 million and were 13% lower compared to Q1 2019, triggered mainly due to lower sales prices.
2	Costs of raw materials, consumables and other material costs were 37% lower than in Q1 2019, at HRK 298 million, mainly due to lower cost of natural gas, mono ammonium and diammonium phosphate.
3	There were no provisions in Q1 2020, while in Q1 2019 provisions for severance payments amounted to HRK 57 million.
4	Other operating costs realized in Q1 2020 are above the level of Q1 2019, mainly because of higher cost for intellectual services.
5	Depreciation in the amount of HRK 22 million was 18% lower compared to Q1 2019.
6	Staff costs in the amount HRK 39 million were 16% lower compared to Q1 2019.
7	Net result from financial activities 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 st March 2020 Petrokemija d.d. total assets amounted to HRK 1,459 million, 1% higher compared to 31 st December 2019.
9	In the period ended 31 st March 2020, Petrokemija invested HRK 4 million in property, plant and equipment . The effect of depreciation reduced net book value of property, plant and equipment to amount of HRK 598 million.
10	Inventories amounted to HRK 183 million, and have decreased by 16% compared to 31 st December 2019 mainly as a result of higher finished product sales compared to production.
11	Trade receivables decreased to HRK 8 million.
12	As at 31 st March 2020. total liabilities amounted to HRK 936 million which is 13% or HRK 141 million lower compared to 31 st December 2019. Petrokemija net debt ⁽²⁾ decreased by 56% compared to 31 st December 2019 and amounted to HRK 173 million. Gearing ratio decreased from 52% as at 31 st December 2019, to 25% as at 31 st March 2020.
13	Trade payables decreased by 14% to HRK 124 million, as a result of lower liabilities for raw materials and consumables.
14	Other current liabilities decreased by 28% to HRK 498 million, out of which liabilities for advance payments decreased from HRK 57 million to HRK 39 million.

CASH FLOW

Notes	
15	The operating cash-flow before changes in working capital amounted to HRK 175 million in Q1 2020 representing an increase of HRK 120 million compared to Q1 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 16 million in Q1 2020, due to: <ul style="list-style-type: none"> - decrease value of inventories by HRK 35 million mainly related to higher sales than production and consequently lower inventories of finished products - decrease in receivables by HRK 49 million - decrease in trade and other payables by HRK 100 million as a result of lower liabilities for raw materials and consumables.
17	Net outflows from investing activities amounted to HRK 7 million, which is lower compared to Q1 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 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, 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 d.d. Financial Statements for the year ended on 31st of December 2019.

As of 31st March 2020 Petrokemija, 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 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 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