

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. 2019

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 | 702.434.924 | 684.177.819 |
| I INTANGIBLE ASSETS (ADP 004 to 009) | 003 | 3.374.735 | 3.047.815 |
| 1 Research and development | 004 | 0 | 0 |
| 2 Concessions, patents, licences, trademarks, software and other rights | 005 | 1.740.590 | 1.413.670 |
| 3 Goodwill | 006 | 0 | 0 |
| 4 Advances for the purchase of intangible assets | 007 | 0 | 0 |
| 5 Intangible assets in preparation | 008 | 1.634.145 | 1.634.145 |
| 6 Other intangible assets | 009 | 0 | 0 |
| II TANGIBLE ASSETS (ADP 011 to 019) | 010 | 698.908.441 | 680.978.256 |
| 1 Land | 011 | 44.376.020 | 44.376.020 |
| 2 Buildings | 012 | 186.741.267 | 183.498.770 |
| 3 Plant and equipment | 013 | 376.513.381 | 369.300.279 |
| 4 Tools, working inventory and transportation assets | 014 | 15.578.435 | 14.767.568 |
| 5 Biological assets | 015 | 0 | 0 |
| 6 Advances for the purchase of tangible assets | 016 | 4.115.921 | 4.095.812 |
| 7 Tangible assets in preparation | 017 | 67.067.310 | 60.615.782 |
| 8 Other tangible assets | 018 | 4.516.107 | 4.324.025 |
| 9 Investment property | 019 | 0 | 0 |
| III FIXED FINANCIAL ASSETS (ADP 021 to 030) | 020 | 10.226 | 10.226 |
| 1 Investments in holdings (shares) of undertakings within the group | 021 | 0 | 0 |
| 2 Investments in other securities of undertakings within the group | 022 | 0 | 0 |
| 3 Loans, deposits, etc. to undertakings within the group | 023 | 0 | 0 |
| 4. Investments in holdings (shares) of companies linked by virtue of participating interests | 024 | 0 | 0 |
| 5 Investment in other securities of companies linked by virtue of participating interests | 025 | 0 | 0 |
| 6 Loans, deposits etc. to companies linked by virtue of participating interests | 026 | 0 | 0 |
| 7 Investments in securities | 027 | 0 | 0 |
| 8 Loans, deposits, etc. given | 028 | 0 | 0 |
| 9 Other investments accounted for using the equity method | 029 | 10.226 | 10.226 |
| 10 Other fixed financial assets | 030 | 0 | 0 |
| IV RECEIVABLES (ADP 032 to 035) | 031 | 0 | 0 |
| 1 Receivables from undertakings within the group | 032 | 0 | 0 |
| 2 Receivables from companies linked by virtue of participating interests | 033 | 0 | 0 |
| 3 Customer receivables | 034 | 0 | 0 |
| 4 Other receivables | 035 | 0 | 0 |
| V DEFERRED TAX ASSETS | 036 | 141.522 | 141.522 |
| C) CURRENT ASSETS (ADP 038+046+053+063) | 037 | 767.118.813 | 677.897.113 |
| I INVENTORIES (ADP 039 to 045) | 038 | 299.849.456 | 287.601.251 |
| 1 Raw materials and consumables | 039 | 126.094.997 | 135.102.569 |
| 2 Work in progress | 040 | 14.992.047 | 26.017.485 |
| 3 Finished goods | 041 | 152.806.834 | 123.600.130 |
| 4 Merchandise | 042 | 4.651.534 | 2.023.792 |
| 5 Advances for inventories | 043 | 1.304.044 | 857.275 |
| 6 Fixed assets held for sale | 044 | 0 | 0 |
| 7 Biological assets | 045 | 0 | 0 |
| II RECEIVABLES (ADP 047 to 052) | 046 | 81.262.549 | 53.226.753 |

| | | | |
|---|------------|----------------------|----------------------|
| 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 | 15.826.402 | 9.512.506 |
| 4 Receivables from employees and members of the undertaking | 050 | 33.200 | 18.792 |
| 5 Receivables from government and other institutions | 051 | 63.122.856 | 41.210.670 |
| 6 Other receivables | 052 | 2.280.091 | 2.484.785 |
| III CURRENT FINANCIAL ASSETS (ADP 054 to 062) | 053 | 375.134.909 | 310.139.531 |
| 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 | 348.133.306 | 273.133.318 |
| 9 Other financial assets | 062 | 27.001.603 | 37.006.213 |
| IV CASH AT BANK AND IN HAND | 063 | 10.871.899 | 26.929.578 |
| D) PREPAID EXPENSES AND ACCRUED INCOME | 064 | 89.764 | 191.357 |
| E) TOTAL ASSETS (ADP 001+002+037+064) | 065 | 1.469.643.501 | 1.362.266.289 |
| OFF-BALANCE SHEET ITEMS | 066 | 1.041.395.509 | 886.450.286 |
| LIABILITIES | | | |
| A) CAPITAL AND RESERVES (ADP 068 to | 067 | 230.693.753 | 250.750.883 |
| I INITIAL (SUBSCRIBED) CAPITAL | 068 | 550.287.010 | 550.287.010 |
| II CAPITAL RESERVES | 069 | 153.523.269 | 153.523.269 |
| III RESERVES FROM PROFIT (ADP 071+072-073+074+075) | 070 | 24.599 | 115.552 |
| 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 | 38.679 | 129.632 |
| 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 | -1.576.996 | -475.088.306 |
| 1 Retained profit | 082 | 0 | 0 |
| 2 Loss brought forward | 083 | 1.576.996 | 475.088.306 |
| VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086) | 084 | -473.511.310 | 20.185.224 |
| 1 Profit for the business year | 085 | 0 | 20.185.224 |
| 2 Loss for the business year | 086 | 473.511.310 | 0 |
| VIII MINORITY (NON-CONTROLLING) INTEREST | 087 | 1.947.181 | 1.728.134 |
| B) PROVISIONS (ADP 089 to 094) | 088 | 20.654.085 | 20.623.585 |
| 1 Provisions for pensions, termination benefits and similar obligations | 089 | 12.349.419 | 12.318.919 |
| 2 Provisions for tax liabilities | 090 | 0 | 0 |
| 3 Provisions for ongoing legal cases | 091 | 804.666 | 804.666 |
| 4 Provisions for renewal of natural resources | 092 | 0 | 0 |
| 5 Provisions for warranty obligations | 093 | 0 | 0 |
| 6 Other provisions | 094 | 7.500.000 | 7.500.000 |
| C) LONG-TERM LIABILITIES (ADP 096 to 106) | 095 | 459.641.858 | 459.763.269 |
| 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 | 334.344.268 | 334.344.269 |
| 6 Liabilities to banks and other financial institutions | 101 | 125.297.590 | 125.419.000 |
| 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 | 0 | 0 |
| 11 Deferred tax liability | 106 | 0 | 0 |
| D) SHORT-TERM LIABILITIES (ADP 108 to 121) | 107 | 577.696.192 | 408.624.864 |
| 1 Liabilities to undertakings within the group | 108 | 0 | 0 |
| 2 Liabilities for loans, deposits, etc. of undertakings within the group | 109 | 0 | 0 |
| 3 Liabilities to companies linked by virtue of participating interests | 110 | 0 | 0 |
| 4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests | 111 | 0 | 0 |
| 5 Liabilities for loans, deposits etc. | 112 | 111.295.042 | 110.955.159 |
| 6 Liabilities to banks and other financial institutions | 113 | 22.106.207 | 14.285.312 |
| 7 Liabilities for advance payments | 114 | 105.064.513 | 59.339.773 |
| 8 Liabilities to suppliers | 115 | 310.411.034 | 195.929.541 |
| 9 Liabilities for securities | 116 | 0 | 0 |
| 10 Liabilities to employees | 117 | 11.676.179 | 11.593.680 |
| 11 Taxes, contributions and similar liabilities | 118 | 8.134.406 | 7.575.348 |
| 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 | 9.008.811 | 8.946.051 |
| E) ACCRUALS AND DEFERRED INCOME | 122 | 180.957.613 | 222.503.688 |
| F) TOTAL – LIABILITIES (ADP 067+088+095+107+122) | 123 | 1.469.643.501 | 1.362.266.289 |
| G) OFF-BALANCE SHEET ITEMS | 124 | 1.041.395.509 | 886.450.286 |

STATEMENT OF PROFIT OR LOSS
for the period 1. 1. 2019 to 31. 3. 2019

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 | 462.552.399 | 462.552.399 | 656.751.761 | 656.751.761 |
| 1 Income from sales with undertakings within the group | 126 | 0 | 0 | 0 | 0 |
| 2 Income from sales (outside group) | 127 | 454.985.645 | 454.985.645 | 648.314.469 | 648.314.469 |
| 3 Income from the use of own products, goods and services | 128 | 1.413.201 | 1.413.201 | 896.040 | 896.040 |
| 4 Other operating income with undertakings within the group | 129 | 0 | 0 | 0 | 0 |
| 5 Other operating income (outside the group) | 130 | 6.153.553 | 6.153.553 | 7.541.252 | 7.541.252 |
| II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153) | 131 | 498.932.330 | 498.932.330 | 652.898.192 | 652.898.192 |
| 1 Changes in inventories of work in progress and finished goods | 132 | -46.567.803 | -46.567.803 | 18.181.266 | 18.181.266 |
| 2 Material costs (ADP 134 to 136) | 133 | 455.841.529 | 455.841.529 | 476.653.655 | 476.653.655 |
| a) Costs of raw materials and consumables | 134 | 430.298.423 | 430.298.423 | 459.417.373 | 459.417.373 |
| b) Costs of goods sold | 135 | 7.613.434 | 7.613.434 | 3.901.249 | 3.901.249 |
| c) Other external costs | 136 | 17.929.672 | 17.929.672 | 13.335.033 | 13.335.033 |
| 3 Staff costs (ADP 138 to 140) | 137 | 47.991.440 | 47.991.440 | 49.016.188 | 49.016.188 |
| a) Net salaries and wages | 138 | 30.464.396 | 30.464.396 | 31.139.861 | 31.139.861 |
| b) Tax and contributions from salary costs | 139 | 10.534.318 | 10.534.318 | 11.008.254 | 11.008.254 |
| c) Contributions on salaries | 140 | 6.992.726 | 6.992.726 | 6.868.073 | 6.868.073 |
| 4 Depreciation | 141 | 22.648.843 | 22.648.843 | 26.871.591 | 26.871.591 |
| 5 Other costs | 142 | 18.861.540 | 18.861.540 | 25.394.857 | 25.394.857 |
| 6 Value adjustments (ADP 144+145) | 143 | 156.781 | 156.781 | 141 | 141 |
| a) fixed assets other than financial assets | 144 | 156.780 | 156.780 | 139 | 139 |
| b) current assets other than financial assets | 145 | 1 | 1 | 2 | 2 |
| 7 Provisions (ADP 147 to 152) | 146 | 0 | 0 | 56.780.494 | 56.780.494 |
| a) Provisions for pensions, termination benefits and similar obligations | 147 | 0 | 0 | 56.780.494 | 56.780.494 |
| 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 | 11.015.170 | 11.015.170 | 23.652.987 | 23.652.987 |
| 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 | 8.460 | 8.460 | 24.127 | 24.127 |
| 8 Exchange rate differences and other financial income | 162 | 11.006.326 | 11.006.326 | 759.027 | 759.027 |
| 9 Unrealised gains (income) from financial assets | 163 | 0 | 0 | 0 | 0 |
| 10 Other financial income | 164 | 384 | 384 | 22.869.833 | 22.869.833 |
| IV FINANCIAL EXPENSES (ADP 166 to 172) | 165 | 53.918.120 | 53.918.120 | 7.321.332 | 7.321.332 |
| 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 | 14.586.472 | 14.586.472 | 5.423.765 | 5.423.765 |
| 4 Exchange rate differences and other expenses | 169 | 1.109.359 | 1.109.359 | 1.893.342 | 1.893.342 |
| 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 | 38.222.289 | 38.222.289 | 4.225 | 4.225 |
| 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 | 473.567.569 | 473.567.569 | 680.404.748 | 680.404.748 |
| X TOTAL EXPENDITURE (ADP 131+165+175 + 176) | 178 | 552.850.450 | 552.850.450 | 660.219.524 | 660.219.524 |
| XI PRE-TAX PROFIT OR LOSS (ADP 177-178) | 179 | -79.282.881 | -79.282.881 | 20.185.224 | 20.185.224 |
| 1 Pre-tax profit (ADP 177-178) | 180 | 0 | 0 | 20.185.224 | 20.185.224 |

| | | | | | |
|---|------------|--------------------|--------------------|-------------------|-------------------|
| 2 Pre-tax loss (ADP 178-177) | 181 | -79.282.881 | -79.282.881 | 0 | 0 |
| XII INCOME TAX | 182 | 17.651 | 17.651 | 0 | 0 |
| XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182) | 183 | -79.300.532 | -79.300.532 | 20.185.224 | 20.185.224 |
| 1 Profit for the period (ADP 179-182) | 184 | 0 | 0 | 20.185.224 | 20.185.224 |
| 2 Loss for the period (ADP 182-179) | 185 | -79.300.532 | -79.300.532 | 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 | -79.300.532 | -79.300.532 | 20.185.224 | 20.185.224 |
| 1 Attributable to owners of the parent | 200 | -79.204.931 | -79.204.931 | 20.404.271 | 20.404.271 |
| 2 Attributable to minority (non-controlling) interest | 201 | -95.601 | -95.601 | -219.047 | -219.047 |
| STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS) | | | | | |
| I PROFIT OR LOSS FOR THE PERIOD | 202 | -79.300.532 | -79.300.532 | 20.185.224 | 20.185.224 |
| 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 | -79.300.532 | -79.300.532 | 20.185.224 | 20.185.224 |
| 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 | -79.300.532 | -79.300.532 | 20.185.224 | 20.185.224 |
| 1 Attributable to owners of the parent | 216 | -79.204.931 | -79.204.931 | 20.404.271 | 20.404.271 |
| 2 Attributable to minority (non-controlling) interest | 217 | -95.601 | -95.601 | -219.047 | -219.047 |

STATEMENT OF CASH FLOWS - indirect method
for the period 1. 1. 2019 to 31. 3. 2019

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 | -79.282.881 | 20.185.224 |
| 2 Adjustments (ADP 003 to 010): | 002 | 27.274.639 | 33.445.906 |
| a) Depreciation | 003 | 22.648.843 | 26.871.591 |
| b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets | 004 | 126.000 | 101.050 |
| 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 | -8.460 | -22.127 |
| e) Interest expenses | 007 | 14.586.472 | 5.423.765 |
| f) Provisions | 008 | -179.500 | -30.500 |
| g) Exchange rate differences (unrealised) | 009 | -9.898.716 | 1.102.127 |
| h) Other adjustments for non-cash transactions and unrealised gains and losses | 010 | 0 | 0 |
| I Cash flow increase or decrease before changes in working capital (ADP 001+002) | 011 | -52.008.242 | 53.631.130 |
| 3 Changes in the working capital (ADP 013 to 016) | 012 | 95.665.902 | -82.246.663 |
| a) Increase or decrease in short-term liabilities | 013 | 142.464.418 | -122.607.226 |
| b) Increase or decrease in short-term receivables | 014 | 8.521.369 | 28.112.358 |
| c) Increase or decrease in inventories | 015 | -55.319.885 | 12.248.205 |
| d) Other increase or decrease in working capital | 016 | 0 | 0 |
| II Cash from operations (ADP 011+012) | 017 | 43.657.660 | -28.615.533 |
| 4 Interest paid | 018 | -14.536.577 | -2.272.870 |
| 5 Income tax paid | 019 | -17.651 | 0 |
| A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019) | 020 | 29.103.432 | -30.888.403 |
| Cash flow from investment activities | | | |
| 1 Cash receipts from sales of fixed tangible and intangible assets | 021 | 0 | 0 |
| 2 Cash receipts from sales of financial instruments | 022 | 0 | 0 |
| 3 Interest received | 023 | 14.874 | 24.488 |
| 4 Dividends received | 024 | 0 | 0 |
| 5 Cash receipts from repayment of loans and deposits | 025 | 0 | 64.995.390 |
| 6 Other cash receipts from investment activities | 026 | 0 | 0 |
| III Total cash receipts from investment activities (ADP 021 to 026) | 027 | 14.874 | 65.019.878 |
| 1 Cash payments for the purchase of fixed tangible and intangible assets | 028 | -6.767.562 | -8.633.912 |
| 2 Cash payments for the acquisition of financial instruments | 029 | 0 | 0 |
| 3 Cash payments for loans and deposits for the period | 030 | -3.863.659 | 0 |
| 4 Acquisition of a subsidiary, net of cash acquired | 031 | 0 | 0 |
| 5 Other cash payments from investment activities | 032 | 0 | 0 |
| IV Total cash payments from investment activities (ADP 028 to 032) | 033 | -10.631.221 | -8.633.912 |
| B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033) | 034 | -10.616.347 | 56.385.966 |
| 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 | 0 |
| V Total cash receipts from financing activities (ADP 035 to 038) | 039 | 0 | 0 |
| 1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments | 040 | -41.649.386 | -9.439.884 |
| 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 | 0 |
| VI Total cash payments from financing activities (ADP 040 to 044) | 045 | -41.649.386 | -9.439.884 |
| C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045) | 046 | -41.649.386 | -9.439.884 |
| 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 | -23.162.301 | 16.057.679 |
| E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 049 | 29.310.939 | 10.871.899 |
| F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049) | 050 | 6.148.638 | 26.929.578 |

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. 1. 2019. do 31. 3. 2019.

Notes to financial statements for quarterly periods include:

- a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the quarterly reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes
- d) a description of the financial performance in the case of the issuer whose business is seasonal.



Petrokemija Group (ZB: PTKM-R-A; petrokemija.hr) announced its Q1 2019 results today. This report contains unaudited financial statements for the period ending 31 March 2019 as prepared by the management in accordance with the International Financial Reporting Standards.

Petrokemija Group financial results (IFRS)

| 2018 | HRK mln | Q1 2018 | Q1 2019 | % |
|--------------|--|-------------|-----------|-------------|
| 1,817 | Sales revenues | 455 | 648 | 42 |
| (213) | EBITDA ⁽¹⁾ | (14) | 31 | n.a. |
| (213) | EBITDA excl. special items ⁽²⁾ | (14) | 88 | n.a. |
| (304) | Profit/(loss) from operations | (36) | 4 | n.a. |
| (304) | Operating profit excl. special items ⁽²⁾ | (36) | 61 | n.a. |
| (170) | Net financial result | (43) | 16 | n.a. |
| (474) | Net profit/loss | (79) | 20 | n.a. |
| (361) | Net profit/loss for the period excl. special items ⁽³⁾ | (41) | 54 | n.a. |
| (330) | Simplified Free Cash Flow ⁽⁴⁾ | (20) | 80 | n.a. |
| 853 | Net debt ⁽⁵⁾ | 1,334 | 774 | (42) |
| 79 | Net gearing (%) ⁽⁶⁾ | 126 | 76 | (40) |
| 120 | CAPEX | 8 | 7 | (14) |

| 2018 | EUR mln ⁽⁷⁾ | Q1 2018 | Q1 2019 | % |
|-------------|--|------------|-----------|-------------|
| 245 | Sales revenues | 61 | 87 | 43 |
| (29) | EBITDA ⁽¹⁾ | (2) | 4 | n.a. |
| (29) | EBITDA excl. special items ⁽²⁾ | (2) | 12 | n.a. |
| (41) | Profit/(loss) from operations | (5) | 1 | n.a. |
| (41) | Operating profit excl. special items ⁽²⁾ | (5) | 8 | n.a. |
| (23) | Net financial result | (6) | 2 | n.a. |
| (64) | Net profit/loss | (11) | 3 | n.a. |
| (49) | Net profit/loss for the period excl. special items ⁽³⁾ | (6) | 7 | n.a. |
| (44) | Simplified Free Cash Flow ⁽⁴⁾ | (3) | 11 | n.a. |
| 115 | Net debt ⁽⁵⁾ | 180 | 104 | (42) |
| 79 | Net gearing (%) ⁽⁶⁾ | 126 | 76 | (40) |
| 16 | CAPEX | 1 | 1 | (13) |

⁽¹⁾ EBITDA = EBIT + Depreciation and amortization

⁽²⁾ No significant special items in Q1 2018 and 2018, in Q1 2019 EBITDA and Operating profit were negatively impacted by HRK 57 mln of special items related to provisions for severance payments

⁽³⁾ Beside impact of provisions for severance payments, Q1 2019 Net profit/loss was positively impacted by HRK 23 mln value adjustment of liabilities for CO2 emission charges, in Q1 2018 Net profit/loss was negatively impacted by HRK 38 mln value adjustment of liabilities for CO2 emission charges, while 2018 was negatively impacted by HRK 112 mln for the same item

⁽⁴⁾ Simplified free cash flow = EBITDA excluding special items - capital expenditures

⁽⁵⁾ Net debt = Current liabilities + Non-current liabilities - Cash and cash equivalents - Given loans and deposits - Other current 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 2018 - 7.44 HRK/EUR; Q1 2019 - 7.42 HRK/EUR; 2018 - 7.41 HRK/EUR; as at Mar 31, 2018 - 7.43 HRK/EUR; as at Mar 31, 2019 - 7.43 HRK/EUR as at Dec 31, 2018 - 7.42 HRK/EUR

Petrokemija Group increased its sales revenues in the first three months of 2019 by 42% to HRK 648 mln, mainly driven by significantly higher sales on domestic market. EBITDA excluding special items increased to HRK 88 million, due to higher sales volumes on more profitable markets and slightly lower prices of raw materials and consumables.

CAPEX amounted to HRK 7 million, which is slightly lower compared to Q1 2018. At the same time net debt significantly decreased and amounted to HRK 774 million at the end of Q1 2019 with the gearing rate at 76%, as a result of completed recapitalization process in 2018 and financial result in Q1 2019.



Management discussion

Production and sales

| 2018 Fertilizers production (kt) | Q1 2018 | Q1 2019 | % |
|---|------------|------------|-----------|
| 1,034 Fertilizers | 287 | 314 | 9 |
| 2018 Fertilizers sales (kt) | Q1 2018 | Q1 2019 | % |
| 292 Domestic market | 76 | 149 | 96 |
| 737 Export | 176 | 183 | 4 |
| 1,029 Total fertilizers sales (kt) | 252 | 331 | 31 |

Main external parameters

| 2018 | Q1 2018 | Q1 2019 | % |
|---|---------|---------|-------|
| 23.01 Natural gas price average* (EUR/MWh) | 20.53 | 19.47 | (5.2) |
| 24.63 CO2 European Emission Allowances - EUA** (EUR/unit) | 13.25 | 21.45 | 61.9 |
| 6.28 HRK/USD average | 6.05 | 6.53 | 7.9 |
| 6.47 HRK/USD closing | 6.03 | 6.61 | 9.6 |
| 7.41 HRK/EUR average | 7.44 | 7.42 | (0.3) |
| 7.42 HRK/EUR closing | 7.43 | 7.43 | (0.1) |

*CEGH market data – period average

**EEX market data – period closing

Q1 2019 vs. Q1 2018

KEY DRIVERS

- Higher total sales volumes on both domestic market (73 kt) and export markets (7 kt) with increasing sales on regional and decreasing sale on spot market
- Plant operated with high utilization of all units, achieving 27 kt higher total production, there was no unplanned shutdowns which could jeopardize production volumes in Q1 2019
- Lower natural gas price (decrease from 20.53 EUR/MWh to 19.47 EUR/MWh)
- Higher CO2 European Emission allowance (EUA) price by 62%

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

In Q1 2019 Petrokemija Group achieved net profit in the amount of HRK 20 mln compared to HRK 79 mln net loss realized in the same period last year. Considering results without special items, net profit for Q1 2019 was HRK 54 mln as opposed to HRK 41 mln net loss in Q1 2018. Special items imply HRK 23 mln positive effect and HRK 38 mln negative effect of value adjustment of liabilities for CO2 emission charges, for Q1 2019 and Q1 2018 respectively, together with provisions for severance payments of HRK 57 mln for Q1 2019.

Main drivers behind improved results compared to the same period last year are sales volumes and sales structure. Namely, total sales volumes increased by 31% on the back of strong results in Croatia and regional markets, while sales volumes on export markets decreased. Uninterrupted production since November 2018 additionally contributed the performance of first quarter.

As for the external environment, 5% lower natural gas prices had positive contribution, offset with significantly higher CO2 emission charges prices that increased by 62%. Fertilizers prices recorded no significant change compared to the same period last year.

Fixed operating costs are expected to be addressed in H2 2019 with implementation of restructuring program.

In line with seasonality, from May demand for fertilizers is expected to decrease, leading to somewhat weaker results anticipated for the next two quarters. From September, demand is to gradually recover, that should consequently have positive impact on the similar level as recorded for Q1 2019.



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

| 2018 | HRK mln | Note | Q1 2018 | Q1 2019 | % |
|--------------|--|------|-------------|------------|-------------|
| 1,817 | Sales revenue | 1 | 455 | 648 | 42 |
| 23 | Income from own consumption of products and services | | 1 | 1 | (37) |
| 25 | Other operating income | | 6 | 8 | 23 |
| 1,866 | Total operating income | | 463 | 657 | 42 |
| 5 | Inventory changes of finished prod. and work in progress | | (47) | 18 | n.a. |
| 1,689 | Cost of raw materials and consumables | 2 | 430 | 459 | 7 |
| 91 | Depreciation and amortization | 4 | 23 | 27 | 19 |
| 72 | Other material costs | 4 | 18 | 13 | (26) |
| 199 | Staff costs | 5 | 48 | 49 | 2 |
| 10 | Cost of other goods sold | 4 | 8 | 4 | (49) |
| 72 | Other costs | 4 | 19 | 25 | 35 |
| 25 | Impairment and charges | 3 | 0 | 0 | 0 |
| 7 | Provisions for charges and risks | 3 | 0 | 57 | n.a. |
| 2,169 | Operating expenses | | 499 | 653 | 31 |
| (304) | Profit/(Loss) from operations | | (36) | 4 | n.a. |
| 16 | Finance income | | 11 | 24 | 115 |
| 186 | Finance costs | | 54 | 7 | (86) |
| (170) | Net (loss) / profit from financial activities | 6 | (43) | 16 | n.a. |
| (474) | Profit/(Loss) before tax | | (79) | 20 | n.a. |
| 0 | Income tax expense | | 0 | 0 | n.a. |



Consolidated Statement of Financial Position, Petrokemija Group
At 31 March 2019
(HRK millions)

| HRK mln | Note | 31 Dec 2018 | 31 Mar 2019 | % |
|--------------------------------------|------|--------------|--------------|-------------|
| Assets | | | | |
| Non-current assets | | | | |
| Intangible assets | | 3 | 3 | (10) |
| Property, plant and equipment | 8 | 699 | 681 | (3) |
| Investment in subsidiaries | | 0 | 0 | 0 |
| Other investments | | 0 | 0 | 0 |
| Long-term receivables | | 0 | 0 | 0 |
| Deferred tax | | 0 | 0 | 0 |
| Total non-current assets | | 702 | 684 | (3) |
| Current assets | | | | |
| Inventories | 9 | 300 | 288 | (4) |
| Trade receivables net | 10 | 16 | 10 | (40) |
| Other receivables | | 65 | 44 | (33) |
| Given loans and deposits | | 375 | 310 | (17) |
| Other current assets | | 0 | 0 | 0 |
| Prepaid expenses and accrued income | | 0 | 0 | 0 |
| Cash and cash equivalents | | 11 | 27 | 148 |
| Total current assets | | 767 | 678 | (12) |
| Total assets | 7 | 1,470 | 1,362 | (7) |
| Equity and liabilities | | | | |
| Capital and reserves | | | | |
| Share capital | | 550 | 550 | 0 |
| Capital reserves | | 154 | 154 | 0 |
| Other reserves | | 0 | 0 | 0 |
| Retained earnings / (Deficit) | | (475) | (455) | (4) |
| Non-controlling interests | | 2 | 2 | 0 |
| Total equity | | 231 | 251 | 9 |
| Non-current liabilities | | | | |
| Long-term loans | | 460 | 460 | 0 |
| Other non-current liabilities | | 0 | 0 | 0 |
| Employee benefits obligation | | 12 | 12 | (0) |
| Provisions | | 8 | 8 | (0) |
| Deferred tax liability | | 0 | 0 | 0 |
| Total non-current liabilities | | 480 | 480 | 0 |
| Current liabilities | | | | |
| Bank loans and overdrafts | | 133 | 125 | (6) |
| Trade payables | 12 | 310 | 196 | (37) |
| Taxes and contributions | | 8 | 8 | (7) |
| Other current liabilities | 13 | 114 | 68 | (40) |
| Accruals and deferred income | | 181 | 223 | 23 |
| Employee benefits obligation | | 12 | 12 | (1) |
| Total current liabilities | | 759 | 631 | (17) |
| Total liabilities | 11 | 1,239 | 1,112 | (10) |
| Total equity and liabilities | | 1,470 | 1,362 | (7) |



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

| 2018 | HRK mln | Note | Q1 2018 | Q1 2019 | % |
|--------------|---|------|-------------|-------------|-------------|
| (474) | Profit for the year | | (79) | 20 | n.a. |
| | Adjustments for: | | | | |
| 91 | Depreciation and amortization | | 23 | 27 | 19 |
| 4 | Gain on sale of property, plant, equipment and impairment | | 0 | 0 | 0 |
| 64 | Other finance expense/(income) recognised in profit | | 15 | 5 | (63) |
| (0) | (Decrease)/increase in provisions | | (0) | (0) | 0 |
| (6) | Foreign exchange loss/(gain) | | (10) | 1 | n.a. |
| 21 | Other non-cash items | | 0 | 0 | 0 |
| (300) | Operating cash flow before working capital changes | 14 | (52) | 54 | n.a. |
| | Movements in working capital | 15 | | | |
| (32) | Decrease/(increase) in inventories | | (55) | 12 | n.a. |
| (9) | Decrease/(increase) in receivables and prepayments | | 9 | 28 | 230 |
| 526 | (Decrease)/increase in trade and other payables | | 142 | (123) | n.a. |
| 185 | Cash generated from operations | | 44 | (29) | n.a. |
| (64) | Interest expense (net) | | (15) | (2) | (84) |
| 121 | Net cash inflow from operating activities | | 29 | (31) | n.a. |
| | Cash flows used in investing activities | | | | |
| (118) | Capital expenditures, exploration and development costs | | (7) | (9) | 28 |
| 0 | Interest on loans, net | | 0 | 0 | 65 |
| (369) | Investments and loans to third parties, net | | (4) | 65 | n.a. |
| (487) | Net cash used for investing activities | 16 | (11) | 56 | n.a. |
| | Cash flows from financing activities | | | | |
| 450 | Issuing of own and debt financial instruments | | 0 | 0 | 0 |
| (103) | Repayment borrowings, net | | (42) | (9) | (77) |
| 0 | Other financing activities | | 0 | 0 | 0 |
| 347 | Net cash used in financing activities | | (42) | (9) | (77) |
| (18) | Net (decrease)/increase in cash and cash equivalents | | (23) | 16 | n.a. |
| 29 | At 1 January | | 29 | 11 | (63) |
| 0 | Effect of foreign exchange rate changes | | 0 | 0 | 0 |
| 11 | At the end of period | | 6 | 27 | 338 |



Financial overview and notes

STATEMENT OF PROFIT OR LOSS

| Notes | Q1 2019 RESULTS |
|-------|---|
| 1 | Total sales revenues in Q1 2019 amounted to HRK 648 million and were 42% higher than Q1 2018, triggered mainly by higher sale volumes on domestic market. |
| 2 | Costs of raw materials, consumables and other material costs were 5% above the Q1 2018 level at HRK 473 million, mainly due to higher production. |
| 3 | Provisions in Q1 2019 were recorded in the amount of HRK 57 million and refer to provisions for severance payments, while in Q1 2018 there was no provisions made. |
| 4 | Other operating costs realized in Q1 2019 include: <ul style="list-style-type: none"> - Other costs in the amount of HRK 25 million which were 35% above the Q1 2018 level mainly due to higher cost for CO2 European Emission allowances (EUA). - Depreciation in the amount of HRK 27 million was 19% higher compared to Q1 2018. |
| 5 | Staff costs in the amount HRK 49 million were 2% higher compared to Q1 2018. |
| 6 | Net financial result is positive in Q1 2019 and amounts to HRK 16 million while in Q1 2018 it was negative by HRK 43 million. <ul style="list-style-type: none"> - Net foreign exchange loss was HRK 1 million in Q1 2019 while in Q1 2018 net foreign exchange gain was HRK 10 million. - Net interest payable amounted to HRK 5 million in Q1 2019 while in Q1 2018 net interest payable amounted to HRK 15 million. - Other financial items refer to value adjustment of liabilities for CO2 emission charges, Q1 2019 was positively impacted by HRK 23 million, while Q1 2018 was negatively impacted by HRK 38 million. |

STATEMENT OF FINANCIAL POSITION

| Notes | |
|-------|--|
| 7 | As at 31 March 2019 Petrokemija Group total assets amounted to HRK 1,362 million, 7% lower compared to 31 December 2018. |
| 8 | In the period ended 31 March 2019, Petrokemija invested HRK 7 million in property, plant and equipment . The effect of depreciation reduced net book value of property, plant and equipment to amount of HRK 681 million. |
| 9 | Inventories amounted to HRK 288 million, and have decreased by 4% compared to 31 December 2018 mainly as a result of higher finished product sales compared to production. |
| 10 | Trade receivables decreased to HRK 10 million and remained at low level. |
| 11 | As at 31 March 2019 total liabilities amounted to HRK 1,112 million which is 10% or HRK 127 million lower compared to 31 December 2018. Petrokemija net debt decreased by 9% compared to 31 December 2018 and amounted to HRK 774 million. Gearing ratio decreased from 79% as at 31 December 2018, to 76% as at 31 March 2019. |
| 12 | Trade payables decreased by 37% to HRK 196 million, as a result of lower liabilities for raw materials and consumables. |
| 13 | Other current liabilities decreased by 40% to HRK 68 million, out of which liabilities for advance payments decreased from HRK 105 mln to HRK 59 mln. |

CASH FLOW

| Notes | |
|-------|---|
| 14 | The operating cash-flow before changes in working capital amounted to HRK 54 million in Q1 2019 representing an increase of HRK 106 million compared to Q1 2018, which is in line with the change in EBITDA performance compared to the previous year. |
| 15 | Changes in working capital affected the operating cash flow negatively by HRK 83 million in Q1 2019, due to: <ul style="list-style-type: none"> - Decrease in value of inventories by HRK 12 million mainly related to higher sales than production and consequently lower inventories of finished products. - Decrease in receivables by HRK 28 million. - Decrease in trade and other payables by HRK 123 million as a result of lower liabilities for raw materials and consumables. |
| 16 | Net inflows from investing activities amounted to HRK 56 million, out of which HRK 9 million is related to outflow for CAPEX while HRK 65 million refers to cash withdrawn from savings deposits. |



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 2019 EBITDA and Operating profit were negatively impacted by HRK 57 mln of special items related to provisions for severance payments. Beside impact of provisions for severance payments, Q1 2019 Net profit/loss was positively impacted by HRK 23 mln value adjustment of liabilities for CO2 emission charges, in Q1 2018 Net profit/loss was negatively impacted by HRK 38 mln value adjustment of liabilities for CO2 emission charges, while 2018 was negatively impacted by HRK 112 mln for the same item.

Financial instruments and risks

Risks are described in detail in Petrokemija Group Financial Statements for the year ended 31 December 2018.

As of 31 March 2019 Petrokemija, had:

- credit debt of HRK 585 million, out of which HRK 125 million is related to short-term debt and HRK 460 million relates to long-term debt, HRK 141 million relates to Banks and others, while HRK 444 million relates to debt to gas suppliers (HEP, INA and PPD)
- average interest rate during the 1st quarter of 2019 was 3.8% per annum

Management representation

Petrokemija Group financial statements for Q1 2019 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. Krešimir Rendeli's mandate as MB member ceased on January 31, 2019 pursuant to agreement. Mr. Željko Marić, has been appointed member of the management board in charge of production and operations as of February 1, 2019.

Management Board:

| | |
|---------------------|------------------|
| Davor Žmegač | President |
| Goran Pleše | Member |
| Željko Marić | Member |
| Peter Suba | Member |