

Annex 1**ISSUER'S GENERAL DATA**

Reporting period:

1.1.2019

to

31.3.2019

Year:

2019

Quarter:

1.

Quarterly financial statements

Registration number (MB):

03674223

Issuer's home Member

State code:

REPUBLIKA HRVATSKA

Entity's registration
number (MBS):

080004355

Personal identification
number (OIB):

24503685008

LEI:

74780000U0FHQRSAX069

Institution
code:

1141

Name of the issuer: **PETROKEMIJA d.d.**

Postcode and town:

44320

KUTINA

Street and house number:

ALEJA VUKOVAR 4

E-mail address:

fin@petrokemija.hr

Web address:

www.petrokemija.hr

Number of employees
(end of the reporting

1610

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

MARIĆ MARINA

(only name and surname of the contact person)

Telephone:

044-647-829

E-mail address:

marina.maric@petrokemija.hr

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 31.3.2019

in HRK

Submitter: PETROKEMJA, 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	711.199.895	893.301.194
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	694.360.801	676.789.030
1 Land	011	44.376.020	44.376.020
2 Buildings	012	186.459.354	183.218.866
3 Plant and equipment	013	376.900.515	369.844.313
4 Tools, working inventory and transportation assets	014	15.464.185	14.660.880
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	4.081.162	4.061.053
7 Tangible assets in preparation	017	66.614.886	60.163.358
8 Other tangible assets	018	464.679	464.540
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	13.464.349	13.464.349
1 Investments in holdings (shares) of undertakings within the group	021	13.454.123	13.454.123
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	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	762.873.777	673.242.852
I INVENTORIES (ADP 039 to 045)	038	293.668.397	284.135.656
1 Raw materials and consumables	039	123.971.528	132.989.665
2 Work in progress	040	14.992.047	26.017.485
3 Finished goods	041	152.806.834	123.600.130
4 Merchandise	042	610.945	716.975
5 Advances for inventories	043	1.287.043	811.401
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	84.562.322	56.066.436
1 Receivables from undertakings within the group	047	4.339.580	4.260.794
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	14.929.318	8.445.883
4 Receivables from employees and members of the undertaking	050	30.960	18.843
5 Receivables from government and other institutions	051	62.991.746	40.943.936
6 Other receivables	052	2.270.718	2.398.980
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	375.134.921	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	348.133.318	273.133.318
9 Other financial assets	062	27.001.603	37.006.213
IV CASH AT BANK AND IN HAND	063	9.508.137	22.901.229
D) PREPAID EXPENSES AND ACCRUED INCOME	064	14.293	174.743
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.474.087.955	1.366.718.789
OFF-BALANCE SHEET ITEMS	066	1.041.395.509	886.450.286
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 068)	067	232.999.909	255.174.674
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	-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	0	-470.796.290
1 Retained profit	082	0	0
2 Loss brought forward	083	0	470.796.290
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	-470.796.290	22.174.765
1 Profit for the business year	085	0	22.174.765
2 Loss for the business year	086	470.796.290	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	19.491.594	19.483.584
1 Provisions for pensions, termination benefits and similar obligations	089	11.563.187	11.555.187
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	428.407	428.407
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	459.192.864	459.314.274
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	334.344.269	334.344.269
6 Liabilities to banks and other financial institutions	101	124.848.595	124.970.005
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	581.835.892	410.798.888
1 Liabilities to undertakings within the group	108	1.966.538	1.359.395
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	6.000.000	4.400.000
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	21.000.000	13.500.000
7 Liabilities for advance payments	114	105.063.423	59.300.568
8 Liabilities to suppliers	115	308.947.110	194.333.223
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	10.947.618	10.943.761
11 Taxes, contributions and similar liabilities	118	7.622.667	7.077.238
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	8.993.494	8.929.544
E) ACCRUALS AND DEFERRED INCOME	122	180.567.696	221.947.359
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.474.087.955	1.366.718.789
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	455.282.666	455.282.666	651.829.675	651.829.675
1 Income from sales with undertakings within the group	126	5.084.250	5.084.250	27.549.813	27.549.813
2 Income from sales (outside group)	127	442.784.138	442.784.138	615.518.537	615.518.537
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	6.001.077	6.001.077	7.865.285	7.865.285
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	491.143.071	491.143.071	645.945.281	645.945.281
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	450.864.434	450.864.434	473.486.229	473.486.229
a) Costs of raw materials and consumables	134	429.733.090	429.733.090	458.876.177	458.876.177
b) Costs of goods sold	135	503.496	503.496	576.705	576.705
c) Other external costs	136	20.627.848	20.627.848	14.033.347	14.033.347
3 Staff costs (ADP 138 to 140)	137	45.074.968	45.074.968	46.394.522	46.394.522
a) Net salaries and wages	138	28.519.359	28.519.359	29.360.626	29.360.626
b) Tax and contributions from salary costs	139	9.970.984	9.970.984	10.515.672	10.515.672
c) Contributions on salaries	140	6.584.625	6.584.625	6.518.224	6.518.224
4 Depreciation	141	22.341.665	22.341.665	26.512.355	26.512.355
5 Other costs	142	19.273.026	19.273.026	24.590.274	24.590.274
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	11.011.678	11.011.678	23.661.761	23.661.761
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	237	237	15.860	15.860
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	7.259	7.259	22.743	22.743
8 Exchange rate differences and other financial income	162	11.003.798	11.003.798	753.325	753.325
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	53.950.440	53.950.440	7.371.390	7.371.390
1 Interest expenses and similar expenses with undertakings within the group	166	73.973	73.973	64.110	64.110
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	1.209	1.209	1.867	1.867
3 Interest expenses and similar expenses	168	14.549.832	14.549.832	5.417.751	5.417.751
4 Exchange rate differences and other expenses	169	1.103.137	1.103.137	1.883.437	1.883.437
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	466.294.344	466.294.344	675.491.436	675.491.436
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	545.093.511	545.093.511	653.316.671	653.316.671
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-78.799.167	-78.799.167	22.174.765	22.174.765
1 Pre-tax profit (ADP 177-178)	180	0	0	22.174.765	22.174.765

2 Pre-tax loss (ADP 178-177)	181	-78.799.167	-78.799.167	0	0
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-78.799.167	-78.799.167	22.174.765	22.174.765
1 Profit for the period (ADP 179-182)	184	0	0	22.174.765	22.174.765
2 Loss for the period (ADP 182-179)	185	-78.799.167	-78.799.167	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	-78.799.167	-78.799.167	22.174.765	22.174.765
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	-78.799.167	-78.799.167	22.174.765	22.174.765
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 1.1.2019. 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	-78.799.167	22.174.765
2 Adjustments (ADP 003 to 010):	002	27.034.522	33.180.643
a) Depreciation	003	22.341.665	26.512.355
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	-7.259	-22.743
e) Interest expenses	007	14.623.804	5.481.861
f) Provisions	008	-150.000	-8.000
g) Exchange rate differences (unrealised)	009	-9.899.688	1.116.120
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	-51.764.645	55.355.408
3 Changes in the working capital (ADP 013 to 016)	012	96.150.459	-86.635.528
a) Increase or decrease in short-term liabilities	013	142.416.751	-124.740.716
b) Increase or decrease in short-term receivables	014	9.995.603	28.572.447
c) Increase or decrease in inventories	015	-56.261.895	9.532.741
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	44.385.814	-31.280.120
4 Interest paid	018	-14.536.577	-2.272.870
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	29.849.237	-33.552.990
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	-22.416.496	13.393.092
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	26.387.551	9.508.137
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	3.971.055	22.901.229

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 to 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 d.d. (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 d.d. financial results (IFRS)

2018	HRK mln	Q1 2018	Q1 2019	%
1,805	Sales revenues	448	643	44
(209)	EBITDA ⁽¹⁾	(14)	32	n.a.
(209)	EBITDA excl. special items ⁽²⁾	(14)	89	n.a.
(299)	Profit/(loss) from operations	(36)	6	n.a.
(299)	Operating profit excl. special items ⁽²⁾	(36)	63	n.a.
(172)	Net financial result	(43)	16	n.a.
(471)	Net profit/loss	(79)	22	n.a.
(359)	Net profit/loss for the period excl. special items ⁽³⁾	(41)	56	n.a.
(327)	Simplified Free Cash Flow ⁽⁴⁾	(20)	82	n.a.
856	Net debt ⁽⁵⁾	1,341	779	(42)
79	Net gearing (%) ⁽⁶⁾	126	75	(40)
117	CAPEX	7	7	6

2018	EUR mln ⁽⁷⁾	Q1 2018	Q1 2019	%
243	Sales revenues	60	87	44
(28)	EBITDA ⁽¹⁾	(2)	4	n.a.
(28)	EBITDA excl. special items ⁽²⁾	(2)	12	n.a.
(40)	Profit/(loss) from operations	(5)	1	n.a.
(40)	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.
(48)	Net profit/loss for the period excl. special items ⁽³⁾	(5)	8	n.a.
(44)	Simplified Free Cash Flow ⁽⁴⁾	(3)	11	n.a.
115	Net debt ⁽⁵⁾	180	105	(42)
79	Net gearing (%) ⁽⁶⁾	126	75	(40)
16	CAPEX	1	1	6

⁽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 d.d. increased its sales revenues in the first three months of 2019 by 44% to HRK 643 mln, mainly driven by significantly higher sales on domestic market. EBITDA excluding special items increased to HRK 89 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 approximately on the same level as in Q1 2018. At the same time net debt significantly decreased and amounted to HRK 779 million at the end of Q1 2019 with the gearing rate at 75%, 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 d.d. achieved net profit in the amount of HRK 22 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 56 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 spot 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.



Petrokemija, d.d. Unconsolidated Statement of Profit or Loss
For the period ended 31 March 2019
(HRK millions)

2018	HRK mln	Note	Q1 2018	Q1 2019	%
1,805	Sales revenue	1	448	643	44
31	Income from own consumption of products and services		1	1	(37)
17	Other operating income		6	8	31
1,853	Total operating income		455	652	43
5	Inventory changes of finished prod. and work in progress		(47)	18	n.a.
1,687	Cost of raw materials and consumables	2	430	459	7
89	Depreciation and amortization	4	22	27	19
79	Other material costs	2	21	14	(32)
187	Staff costs	5	45	46	3
2	Cost of other goods sold	4	1	1	15
73	Other costs	4	19	25	28
23	Impairment and charges	3	0	0	0
7	Provisions for charges and risks	3	0	57	n.a.
2,152	Operating expenses		491	646	32
(299)	Profit/(Loss) from operations		(36)	6	n.a.
16	Finance income		11	24	115
188	Finance costs		54	7	(86)
(172)	Net (loss) / profit from financial activities	6	(43)	16	n.a.
(471)	Profit/(Loss) before tax		(79)	22	n.a.
(471)	Profit/(Loss) for the year		(79)	22	n.a.



Petrokemija, d.d. Unconsolidated Statement of Financial Position
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	694	677	(3)
Investment in subsidiaries		13	13	0
Other investments		0	0	0
Long-term receivables		0	0	0
Deferred tax		0	0	0
Total non-current assets		711	693	(3)
Current assets				
Inventories	9	294	284	(3)
Trade receivables net	10	15	8	(43)
Other receivables		70	48	(32)
Given loans and deposits		348	273	(22)
Other current assets		27	37	37
Prepaid expenses and accrued income		0	0	0
Cash and cash equivalents		10	23	141
Total current assets		763	673	(12)
Total assets	7	1,474	1,367	(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)		(471)	(449)	(5)
Non-controlling interests		0	0	0
Total equity		233	255	10
Non-current liabilities				
Long-term loans		459	459	0
Other non-current liabilities		0	0	0
Employee benefits provisions		12	12	4
Other provisions		8	8	(5)
Deferred tax liability		0	0	0
Total non-current liabilities		479	479	0
Current liabilities				
Bank loans and overdrafts		132	124	(6)
Trade payables	12	309	194	(37)
Taxes and contributions		8	7	(7)
Other current liabilities	13	122	74	(39)
Accruals and deferred income		181	222	23
Employee benefits obligation		11	11	0
Total current liabilities		762	633	(17)
Total liabilities	11	1,241	1,112	(10)
Total equity and liabilities		1,474	1,367	(7)



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

2018	HRK mln	Note	Q1 2018	Q1 2019	%
(471)	Profit for the year		(79)	22	n.a.
	Adjustments for:				
89	Depreciation and amortization		22	27	19
4	Gain on sale of property, plant, equipment and impairment charges		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
(298)	Operating cash flow before working capital changes	14	(52)	55	n.a.
	Movements in working capital	15			
(29)	Decrease/(increase) in inventories		(56)	10	n.a.
(12)	Decrease/(increase) in receivables and prepayments		10	29	186
523	(Decrease)/increase in trade and other payables		142	(125)	n.a.
184	Cash generated from operations		44	(31)	n.a.
(64)	Interest expense (net)		(15)	(2)	(84)
120	Net cash inflow from operating activities		30	(34)	n.a.
	Cash flows used in investing activities				
(114)	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.
(483)	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
0	Repayment borrowings, net		(42)	(9)	(77)
(104)	Other financing activities		0	0	0
346	Net cash used in financing activities		(42)	(9)	(77)
(17)	Net (decrease)/increase in cash and cash equivalents		(22)	13	n.a.
26	At 1 January		26	10	(64)
0	Effect of foreign exchange rate changes		0	0	0
10	At the end of period		4	23	477



Financial overview and notes

STATEMENT OF PROFIT OR LOSS

Notes

Q1 2019 RESULTS

- 1 **Total sales revenues** in Q1 2019 amounted to HRK 643 million and were 44% 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:
- Other costs in the amount of HRK 25 million which were 28% 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 46 million were 3% 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.
- 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 d.d. **total assets** amounted to HRK 1,367 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 677 million.
- 9 **Inventories** amounted to HRK 284 million, and have decreased by 3% compared to 31 December 2018 mainly as a result of higher finished product sales compared to production.
- 10 **Trade receivables** decreased to HRK 8 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 129 million lower compared to 31 December 2018. Petrokemija **net debt** decreased by 9% compared to 31 December 2018 and amounted to HRK 779 million. **Gearing ratio** decreased from 79% as at 31 December 2018, to 75% as at 31 March 2019.
- 12 **Trade payables** decreased by 37% to HRK 194 million, as a result of lower liabilities for raw materials and consumables.
- 13 **Other current liabilities** decreased by 39% to HRK 74 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 55 million in Q1 2019 representing an increase of HRK 107 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 86 million in Q1 2019, due to:
- Decrease in value of inventories by HRK 10 million mainly related to higher sales than production and consequently lower inventories of finished products.
 - Decrease in receivables by HRK 29 million.
 - Decrease in trade and other payables by HRK 125 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 funds.



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 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 d.d. Financial Statements for the year ended 31 December 2018.

As of 31 March 2019 Petrokemija, had:

- credit debt of HRK 588 million, out of which HRK 129 million is related to short-term debt and HRK 459 million relates to long-term debt, HRK 144 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 d.d. 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