



Petrokemija, Plc. Fertilizer Company  
Aleja Vukovar 4, 44320 Kutina, Croatia

Ordinary share, PTKM-R-A ISIN HRPTKMRA0005  
listed on the Official Market of the Zagreb Stock Exchange  
Notice pursuant to the Capital Market Act

## PUBLIC INVITATION TO SUBSCRIPTION OF NEW ORDINARY SHARES OF PETROKEMIJA, Plc. COMPANY IN THE THIRD ROUND

At its meeting of 20 May 2014, the General Meeting of PETROKEMIJA, Plc. Fertilizer Company (hereinafter: Petrokemija, the Company or the Issuer), adopted a Decision on increase of the Company share capital by cash deposits with partial exclusion of the pre-emptive right of the existing shareholders with regard to the subscription of new shares and the amendments to the Articles of Association (Decision on Share Capital Increase). The Company Share Capital Increase will be conducted by payment in cash by issuing a minimum of 8,333,333 up to a maximum of 16,666,666 new ordinary registered shares, with a nominal value of HRK 30.00 (New Shares). The Company Share Capital Increase will be carried out with partial exclusion of pre-emptive rights of the existing shareholders upon payment for the subscribed New Shares of an amount that shall not be less per Company shareholder than EUR 100,000.00 in Kuna equivalent at the middle exchange rate of the Croatian National Bank.

Pursuant to Article 351, paragraph 1, item 3 of the Capital Market Act, the Company has issued new shares with the use of exception to the publication of the Prospectus, so the Company will not publish a Prospectus for the purposes of issuing the New Shares.

The Issue Agent for conducting the public offering of New Shares without a firm commitment basis is Privredna Banka Zagreb d.d. with head office in Zagreb, Radnička cesta 50 (Issue Agent or PBZ), and the legal counsel is Bogdanović, Dolički & Partneri, law firm with head office in Zagreb, Miramarska 24.

In the first round, which lasted 14 calendar days, from 12.00 noon on 7 July 2014, to 12.00 noon on 21 July 2014, the existing Company shareholders, who had registered shares on their account of dematerialized securities in the Central Depository and Clearing Company Inc. (CDCC) on the day of publishing of the Invitation to the General Meeting in the Official Gazette (11 April 2014), subscribed and paid for a total of 434,733 New Shares.

In the second round, the shares were subscribed for 5 business days, from 8:30 a.m. on 21 August 2014 to 14:00 hrs on 27 August 2014 and the existing Company shareholders, who subscribed for New Shares in the first round, subscribed and paid for a total of 8,000,000 New Shares.

Upon the completion of collecting bids for subscription and payment for the New Shares in the procedure of offering the shares to the Company shareholders in the first and second round, at the meeting on 27 August 2014, the Management Board with the consent of the Supervisory Board, determined within the offered Price Range of HRK 30.00 to HRK 100.00 for one New Share, a unique and final price of one New Share in the amount of HRK 30.00 (Final Price). In keeping with the determined Final Price, the existing shareholders of the Company, who had the right to subscribe for New Shares in the first and second round under the terms and in the

manner defined by the Decision on Capital Increase and public invitations to existing shareholders to subscribe for the New Shares of the Company in the first and second round, have subscribed and paid for a total of 8,434,733 New Shares. Thus, the requirement that the issue of new shares would be considered successfully completed if at least 8,333,333 New Shares were subscribed and paid for within the set deadlines for their subscription and payment, has been met.

With this public invitation to subscribe for New Shares in the third round (Public Invitation), the Company invites investors to subscribe for 8,231,933 New Shares of the Company in the third round at the Final Price of HRK 30.00 per one New Share.

In the third round, the right to subscription for all remaining shares which were not subscribed and paid for in the first and second round, i.e. 8,231,933 shares (Shares Offered in the Third Round), belongs to all investors. The Subscription of New Shares in the third round will last for eight days from the date of this Invitation, i.e. from 8:30 am on January 27, 2015 to 16:30 hours on 3 February 2015 (Subscription Period). The period of payment is equal to Subscription Period and the investors are obliged to pay for New Shares in the third round in the period from 8:30 am on 27 January 2015 to 16:30 hours on 3 February 2015 (Payment Period). The total number of Shares offered in the third round is 8,231,933. The minimum number of shares that each investor can subscribe and pay for in the third round is 25,700 New Shares (Minimum Subscription). The maximum right to subscription in the third round is limited to the number of Shares offered in the third round, i.e. not more than 8,231,933 New Shares. Any Subscription Notes subscribing for less than the Minimum Subscription will not be considered. Any Subscription Notes subscribing for more than the number of Shares offered in the third round, will be considered only to the extent of the number of Shares offered in the third round.

Investors subscribe for New Shares by a written statement (Subscription Note). The Payment period is equal to Subscription Period. Payment for the shares subscribed for in the third round will be effected in their entirety to the Issuer's special-purpose bank account number: HR8123400091510595776 which was opened with Privredna Banka Zagreb for the payment of New Shares, no later than 16:30 hours on 3 February 2015. Only payments received on the above account by 16:30 hours on 3 February shall be considered valid. If an investor effects his/her payment in a financial institution other than Privredna Banka Zagreb, such investor shall inquire with that institution about the time needed for the funds to be received on the above stated bank account by 16:30 hours on 3 February 2015.

Participants of the third round shall fill in their Subscription Notes by stating the number of the New Shares they wish to subscribe for and the subscription amount, which is a multiplication product of the number of New Shares that they are subscribing for and the Final Price for a New Share.

In the event that investors in the third round are participating in the subscription of New Shares through a custodian bank, the Subscription must include the name and surname (company name) and residence address (head office) of the ultimate investor. Otherwise, such investors will not be entitled to participate in the subscription of New Shares.

The Management of the Company, with the approval of the Supervisory Board, will determine the exact amount of the share capital increase and the exact number of New Ordinary Shares of the Company, no later than three business days after the expiry of Subscription and Payment Period in the third round.

The New Shares will bear the same rights and rank as all existing Company shares. They will be issued in dematerialized form, as an electronic record in the computer system of the CDCC, with a ticker given to them by the CDCC. Every share entitles the holder to one vote in the Company General Meeting. The shares are registered and they entitle the shareholders to all the rights provided for by the law and the Company's Articles of Association, as of the day of incorporation of the share capital increase into the Court Register.

The New Shares will be listed in the regulated market of the Zagreb Stock Exchange in accordance with the relevant regulations. New Company shares can be traded with after their inclusion in the regulated market, that being the official market of the Zagreb Stock Exchange.

International securities identification number (ISIN code) of the Issuer's existing shares is HRPTKMRA0005, and their Stock Exchange ticker is PTKM-R-A.

New Shares will be issued after the Company share capital increase is incorporated into the Court Register of the Commercial Court in Zagreb.

If the share capital increase is not incorporated into the Court Register within 12 months starting on 20 May 2014, the Subscription Note ceases to be binding for the subscriber and the effected payment will be returned to investors immediately. In that case, the share capital increase and issuance of shares will be considered not successfully conducted.

If the total number of shares subscribed and paid for in the third round is greater than the maximum offered number of shares in the third round, i.e. 8,231,933 New Shares, the following rules of allocation of New Shares in the third round will be approved. The allocation of New Shares will be effected among the following groups of investors:

- a) Republic of Croatia
- b) Mandatory pension funds;
- c) Voluntary pension funds;
- d) Pension insurance companies;
- e) UCITS;
- f) Alternative investment funds;
- g) Insurance companies;
- h) Banks for their own account;
- i) Banks in the name and for the account of portfolio;
- j) Investment companies - for their own account;
- k) Investment companies - in the name and for the account of portfolio;
- l) Other companies;
- m) Natural persons;
- n) Other.

The Issuer shall treat all investors within a single group equally. In allocation, the issuer may apply different mechanisms to different groups, based on one or a combination of several criteria mentioned hereinafter. For the allocation of New Shares among groups of investors, the relevant allocation mechanism will be determined, based on the following criteria of comparison of individual groups of investors with other groups of investors.

#### 1. Quality of investor

- a) Investor's investment horizon; and/or
- b) Investor's size; and/or
- c) Investor's activities in the primary capital market; and/or
- d) Investor's activities in the secondary capital market;
- e) Investor's activities in the primary/secondary market pertaining to previous securities of the Issuer

and/or

#### 2. Investor's business activities

- a) Significance and/or size of the investor in the industry of the Issuer; and/or
- b) Investor's strategy in current and future transactions with the Issuer,

and/or

3. Quality of offer, which primarily pertains to:

- a) The number of New Shares offered; and/or
- b) Time of receipt of investor's offer in the third round, with preference of Subscription Notes, which were received earlier.

The Issue Agent shall, not later than two business days after the Company publication of the exact amount of the capital increase and the exact number of New Ordinary Shares, inform each individual investor of the number of allocated New Shares and the possible return of funds.

Persons subscribing for New Shares in the name and for the account of the investor by virtue of power of attorney, when subscribing for New Shares shall provide a special Power of Attorney and a personal identification document of the proxy (ID card or passport). A form for the Power of Attorney is available on the Issuer's website.

Prior to deciding on subscription of New Shares, the Issuer invites all investors to study the public documents of the Issuer published on the website of the Zagreb Stock Exchange (<http://www.zse.hr/default.aspx?id=10006&dionica=PTKM-R-A>) and on the Issuer's website (<http://www.petrokemija.hr/Investitori/Objave.aspx>), to independently evaluate the financial position, the potential and the risk factors relevant to the Issuer and the New Shares. Only based on such evaluation, they should make a decision regarding potential subscription of New Shares.

The Company has made an Information Memorandum on New Shares issue, which is available in electronic form on the Issuer's website (<http://www.petrokemija.hr/Investitori/Objave.aspx>). The Information Memorandum in hard copy will be available to investors free of charge, upon request, at the Issuer's premises at the following address: Petrokemija, TC Financije i kontroling, K. P. Krešimira IV 31/1, 44320 Kutina. Any significant additional information following the date of the Information Memorandum, including the unaudited, non-consolidated and consolidated financial reports for first half of 2014, the non-consolidated and consolidated financial reports for Jan-Sept 2014 with the Auditor's report on their review, have been made available by the Company on the website of the Zagreb Stock Exchange (<http://www.petrokemija.hr/Investitori/Objave.aspx>) and the Company website (<http://www.petrokemija.hr/Investitori/Objave.aspx>).

Any additional information in connection with the issuing of New Shares is available at the Issue Agent's and investors may also request them by telephone at one of the telephone numbers stated below.

New Shares can be subscribed for at the following location (Subscription Venue)

Privredna banka Zagreb d.d.  
Sektor investicijskog bankarstva / Direkcija tržišta kapitala  
Radnička cesta 50  
10 000 Zagreb  
Tel: +385 1 6360 762 / 763  
Fax: +385 1 6360 743  
e-mail: [capital.markets@pbz.hr](mailto:capital.markets@pbz.hr)

throughout the Subscription Period, from 8:30 a.m. to 16:30 hrs on business days. The signed Subscription Note can also be sent via registered mail to the Issue Agent's address as indicated above not later than 16:30 on the last day of the Subscription Period, provided that a copy of the Subscription Note has also been sent by that time; (i) by fax to +385 1 6360 743 or (ii) in pdf format to e-mail address: [capital.markets@pbz.hr](mailto:capital.markets@pbz.hr).

The Subscription Note form will be available in electronic form and hard copy at the Subscription Venue and on the Company website.

The notice of this Public Invitation is submitted to Poslovni dnevnik, the Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)), Croatian News Agency and the Official Register of Regulated Information at the Croatian Financial Services Supervisory Agency.

Sincerely,

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