

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

1.1.2021.

to

30.06.2021.

Year:

2021

Quarter:

2.

## Quarterly financial statements

Registration number (MB):

03586243

Issuer's home Member

State code:

HR

Entity's registration  
number (MBS):

080000604

Personal identification  
number (OIB):

27759560625

LEI:

213800RUSOIJPD19H13

Institution  
code:

2560

Name of the issuer: INA - Industrija nafte d.d.

Postcode and town:

10 020

10 020

Street and house number:

Avenija Većeslava Holjevca 10

E-mail address:

investitori@ina.hr

Web address:

www.ina.hr

Number of employees  
(end of the reporting

3292

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:

Yes

(Yes/No)

Top Računovodstvo Servisi d.o.o.; Član INA Grupe

(name of the bookkeeping firm)

Contact person:

Josip Vargašević

(only name and surname of the contact person)

Telephone:

091 495 7186

E-mail address:

Josip.Vargasevic@trs.ina.hr

Audit firm:

ERNST &amp; YOUNG d.o.o. Zagreb

(name of the audit firm)

Certified auditor:

Berislav Horvat

(name and surname)

**BALANCE SHEET**  
balance as at 30.06.2021.

in HRK

Submitter: INA - Industrija nafte d.d., Zagreb			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	16.617.000.000	16.350.000.000
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	433.000.000	430.000.000
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	100.000.000	87.000.000
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	18.000.000	28.000.000
5 Intangible assets in preparation	008	315.000.000	315.000.000
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	11.224.000.000	11.048.000.000
1 Land	011	1.007.000.000	984.000.000
2 Buildings	012	4.491.000.000	4.311.000.000
3 Plant and equipment	013	2.530.000.000	2.467.000.000
4 Tools, working inventory and transportation assets	014	334.000.000	318.000.000
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	334.000.000	316.000.000
7 Tangible assets in preparation	017	2.051.000.000	2.215.000.000
8 Other tangible assets	018	477.000.000	437.000.000
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	3.408.000.000	3.361.000.000
1 Investments in holdings (shares) of undertakings within the group	021	1.827.000.000	1.823.000.000
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	752.000.000	709.000.000
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	262.000.000	254.000.000
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	7.000.000	8.000.000
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	560.000.000	567.000.000
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	498.000.000	530.000.000
1 Receivables from undertakings within the group	032	9.000.000	9.000.000
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	28.000.000	24.000.000
4 Other receivables	035	461.000.000	497.000.000
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	1.054.000.000	981.000.000
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	3.097.000.000	5.701.000.000
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	1.406.000.000	2.954.000.000
1 Raw materials and consumables	039	288.000.000	1.317.000.000
2 Work in progress	040	417.000.000	692.000.000
3 Finished goods	041	419.000.000	754.000.000
4 Merchandise	042	275.000.000	190.000.000
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	7.000.000	1.000.000
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	1.194.000.000	1.935.000.000
1 Receivables from undertakings within the group	047	173.000.000	216.000.000
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	866.000.000	1.468.000.000
4 Receivables from employees and members of the undertaking	050	1.000.000	0
5 Receivables from government and other institutions	051	5.000.000	21.000.000
6 Other receivables	052	149.000.000	230.000.000
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	146.000.000	115.000.000
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	40.000.000	21.000.000
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0

7 Investments in securities	060	78.000.000	0
8 Loans, deposits, etc. given	061	1.000.000	1.000.000
9 Other financial assets	062	27.000.000	93.000.000
IV CASH AT BANK AND IN HAND	063	351.000.000	697.000.000
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>30.000.000</b>	<b>56.000.000</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>19.744.000.000</b>	<b>22.107.000.000</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>10.331.000.000</b>	<b>10.882.000.000</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	9.000.000.000	9.000.000.000
II CAPITAL RESERVES	069	0	0
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	1.370.000.000	1.388.000.000
1 Legal reserves	071	199.000.000	199.000.000
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	1.171.000.000	1.189.000.000
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	202.000.000	207.000.000
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	202.000.000	207.000.000
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	692.000.000	-241.000.000
1 Retained profit	084	692.000.000	0
2 Loss brought forward	085	0	241.000.000
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-933.000.000	528.000.000
1 Profit for the business year	087	0	528.000.000
2 Loss for the business year	088	933.000.000	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>3.879.000.000</b>	<b>3.907.000.000</b>
1 Provisions for pensions, termination benefits and similar obligations	091	17.000.000	18.000.000
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	1.000.000	3.000.000
4 Provisions for renewal of natural resources	094	3.308.000.000	3.330.000.000
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	553.000.000	556.000.000
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>412.000.000</b>	<b>558.000.000</b>
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	379.000.000	339.000.000
6 Liabilities to banks and other financial institutions	103	0	189.000.000
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	33.000.000	30.000.000
11 Deferred tax liability	108	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>5.022.000.000</b>	<b>6.616.000.000</b>
1 Liabilities to undertakings within the group	110	215.000.000	163.000.000
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	131.000.000	166.000.000
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	100.000.000	99.000.000
6 Liabilities to banks and other financial institutions	115	1.873.000.000	2.367.000.000
7 Liabilities for advance payments	116	26.000.000	42.000.000
8 Liabilities to suppliers	117	1.104.000.000	2.347.000.000
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	39.000.000	40.000.000
11 Taxes, contributions and similar liabilities	120	554.000.000	877.000.000
12 Liabilities arising from the share in the result	121	585.000.000	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	395.000.000	515.000.000
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>100.000.000</b>	<b>144.000.000</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>19.744.000.000</b>	<b>22.107.000.000</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2021. to 30.06.2021

in HRK

Submitter: INA - Industrija nafte d.d., Zagreb

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>6.705.000.000</b>	<b>2.951.000.000</b>	<b>9.066.000.000</b>	<b>5.220.000.000</b>
1 Income from sales with undertakings within the group	002	901.000.000	318.000.000	1.127.000.000	623.000.000
2 Income from sales (outside group)	003	5.720.000.000	2.596.000.000	7.793.000.000	4.512.000.000
3 Income from the use of own products, goods and services	004	17.000.000	7.000.000	17.000.000	9.000.000
4 Other operating income with undertakings within the group	005	8.000.000	5.000.000	8.000.000	4.000.000
5 Other operating income (outside the group)	006	59.000.000	25.000.000	121.000.000	72.000.000
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>7.626.000.000</b>	<b>2.955.000.000</b>	<b>8.640.000.000</b>	<b>4.865.000.000</b>
1 Changes in inventories of work in progress and finished goods	008	375.000.000	-157.000.000	-614.000.000	-52.000.000
2 Material costs (ADP 010 to 012)	009	5.588.000.000	2.369.000.000	7.649.000.000	4.098.000.000
a) Costs of raw materials and consumables	010	2.724.000.000	1.495.000.000	4.119.000.000	3.140.000.000
b) Costs of goods sold	011	1.940.000.000	382.000.000	2.516.000.000	401.000.000
c) Other external costs	012	924.000.000	492.000.000	1.014.000.000	557.000.000
3 Staff costs (ADP 014 to 016)	013	354.000.000	183.000.000	356.000.000	171.000.000
a) Net salaries and wages	014	210.000.000	108.000.000	216.000.000	104.000.000
b) Tax and contributions from salary costs	015	95.000.000	50.000.000	91.000.000	43.000.000
c) Contributions on salaries	016	49.000.000	25.000.000	49.000.000	24.000.000
4 Depreciation	017	788.000.000	404.000.000	776.000.000	395.000.000
5 Other costs	018	362.000.000	148.000.000	447.000.000	258.000.000
6 Value adjustments (ADP 020+021)	019	143.000.000	3.000.000	-16.000.000	-10.000.000
a) fixed assets other than financial assets	020	96.000.000	96.000.000	0	0
b) current assets other than financial assets	021	47.000.000	-93.000.000	-16.000.000	-10.000.000
7 Provisions (ADP 023 to 028)	022	16.000.000	5.000.000	42.000.000	5.000.000
a) Provisions for pensions, termination benefits and similar obligations	023	27.000.000	-3.000.000	5.000.000	-8.000.000
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	3.000.000	0	3.000.000	0
d) Provisions for renewal of natural resources	026	-13.000.000	7.000.000	34.000.000	15.000.000
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	-1.000.000	1.000.000	0	-2.000.000
8 Other operating expenses	029	0	0	0	0
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>73.000.000</b>	<b>9.000.000</b>	<b>271.000.000</b>	<b>197.000.000</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	25.000.000	25.000.000	44.000.000	44.000.000
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	1.000.000	1.000.000	0	0
4 Other interest income from operations with undertakings within the group	034	11.000.000	5.000.000	13.000.000	7.000.000
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	10.000.000	-4.000.000	0	-2.000.000
6 Income from other long-term financial investments and loans	036	0	0	160.000.000	160.000.000
7 Other interest income	037	2.000.000	1.000.000	1.000.000	0
8 Exchange rate differences and other financial income	038	22.000.000	-21.000.000	42.000.000	-23.000.000
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	2.000.000	2.000.000	11.000.000	11.000.000
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>118.000.000</b>	<b>-11.000.000</b>	<b>90.000.000</b>	<b>-33.000.000</b>
1 Interest expenses and similar expenses with undertakings within the group	042	3.000.000	2.000.000	2.000.000	1.000.000
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	2.000.000	2.000.000
3 Interest expenses and similar expenses	044	43.000.000	20.000.000	52.000.000	27.000.000
4 Exchange rate differences and other expenses	045	71.000.000	-30.000.000	33.000.000	-64.000.000
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	1.000.000	-3.000.000	1.000.000	1.000.000
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>45.000.000</b>	<b>40.000.000</b>	<b>0</b>	<b>6.000.000</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>	<b>7.000.000</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>6.823.000.000</b>	<b>3.000.000.000</b>	<b>9.337.000.000</b>	<b>5.423.000.000</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>7.744.000.000</b>	<b>2.944.000.000</b>	<b>8.737.000.000</b>	<b>4.832.000.000</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>-921.000.000</b>	<b>56.000.000</b>	<b>600.000.000</b>	<b>591.000.000</b>
1 Pre-tax profit (ADP 053-054)	056	0	56.000.000	600.000.000	591.000.000

2 Pre-tax loss (ADP 054-053)	057	-921.000.000	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>-52.000.000</b>	<b>125.000.000</b>	<b>72.000.000</b>	<b>72.000.000</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>-869.000.000</b>	<b>-69.000.000</b>	<b>528.000.000</b>	<b>519.000.000</b>
1 Profit for the period (ADP 055-059)	060	0	0	528.000.000	519.000.000
2 Loss for the period (ADP 059-055)	061	-869.000.000	-69.000.000	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 062-065)	066				
2 Discontinued operations loss for the period (ADP 065-062)	067				
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)</b>	<b>068</b>				
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>				
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	<b>075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>-869.000.000</b>	<b>-69.000.000</b>	<b>528.000.000</b>	<b>519.000.000</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>-62.000.000</b>	<b>14.000.000</b>	<b>23.000.000</b>	<b>-10.000.000</b>
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	<b>-62.000.000</b>	<b>14.000.000</b>	<b>23.000.000</b>	<b>-10.000.000</b>
1 Exchange rate differences from translation of foreign operations	088	5.000.000	-17.000.000	18.000.000	-10.000.000
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	-67.000.000	31.000.000	5.000.000	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)</b>	<b>097</b>	<b>-62.000.000</b>	<b>14.000.000</b>	<b>23.000.000</b>	<b>-10.000.000</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>-931.000.000</b>	<b>-55.000.000</b>	<b>551.000.000</b>	<b>509.000.000</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2021. to 30.06.2021.

in HRK

Submitter: INA - Industrija nafte d.d., Zagreb			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-921.000.000	600.000.000
2 Adjustments (ADP 003 to 010):	002	1.039.000.000	737.000.000
a) Depreciation	003	788.000.000	776.000.000
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	138.000.000	-20.000.000
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	27.000.000	40.000.000
e) Interest expenses	007	0	-5.000.000
f) Provisions	008	-83.000.000	-36.000.000
g) Exchange rate differences (unrealised)	009	39.000.000	1.000.000
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	130.000.000	-19.000.000
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>118.000.000</b>	<b>1.337.000.000</b>
3 Changes in the working capital (ADP 013 to 016)	012	429.000.000	-618.000.000
a) Increase or decrease in short-term liabilities	013	373.000.000	2.332.000.000
b) Increase or decrease in short-term receivables	014	314.000.000	-1.250.000.000
c) Increase or decrease in inventories	015	-258.000.000	-1.700.000.000
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>547.000.000</b>	<b>719.000.000</b>
4 Interest paid	018	0	0
5 Income tax paid	019	0	-9.000.000
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>547.000.000</b>	<b>710.000.000</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	5.000.000	11.000.000
2 Cash receipts from sales of financial instruments	022	18.000.000	0
3 Interest received	023	6.000.000	65.000.000
4 Dividends received	024	0	160.000.000
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	25.000.000	68.000.000
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>54.000.000</b>	<b>304.000.000</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-502.000.000	-647.000.000
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-6.000.000	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-508.000.000</b>	<b>-647.000.000</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-454.000.000</b>	<b>-343.000.000</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	133.000.000	721.000.000
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>133.000.000</b>	<b>721.000.000</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-443.000.000	-123.000.000
2 Cash payments for dividends	041	0	-585.000.000

3 Cash payments for finance lease	<b>042</b>	-48.000.000	-40.000.000
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	<b>043</b>	0	0
5 Other cash payments from financing activities	<b>044</b>	0	0
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-491.000.000</b>	<b>-748.000.000</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-358.000.000</b>	<b>-27.000.000</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	<b>047</b>	-7.000.000	6.000.000
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-272.000.000</b>	<b>346.000.000</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	502.000.000	351.000.000
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>230.000.000</b>	<b>697.000.000</b>





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

Name of the issuer: INA-Industrija nafte, d.d.

Personal identification number (OIB): 27759560625

Reporting period: 30 June 2021

Notes to financial statements for quarterly periods include:

- a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual 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 (items 15 to 15C IAS 34 - Interim financial reporting)
- 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 semi-annual reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual 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 (item 16.A (a) IAS 34 - Interim financial reporting)
- d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)
- e) other comments prescribed by IAS 34 - Interim financial reporting
- f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

**1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration**

Issuer's name: INA - Industrija nafte, d.d.  
Registered office (address): Avenija Većeslava Holjevca 10, 10000 Zagreb  
Legal form: Public Limited Company  
Country of establishment: Republic of Croatia  
Entity's registration number: 3586243  
Personal identification number (OIB): 27759560625

**2. adopted accounting policies (only an indication of whether there has been a change from the previous period)**

The principal accounting policies applied in the preparation of consolidated and separate financial statements are International Financial Reporting Standards and INA Group Accounting Policies and Procedures. These policies have been consistently applied to all the years presented, unless otherwise stated.  
Last version of INA Group Accounting Policies and Procedures was approved by Management Board in December 2020 (effective at 31 December 2020). In 2020, the INA Group made reclassification. The effect of the reclassifications of the profit or loss statement is set out in Flash Report.

**3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately**

The total value of guarantees undertaken to third parties is contractually HRK 545 million, which is the maximum amount the Group is exposed to. In the event of default, the terms of the contract contain a maximum compensation payment to the unrelated party. Based on expectations at the end of the reporting period, the Group considers that no liability is expected to arise. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence**

Certain items of income and expense of exceptional size or occurrence, such as revenue from contracts with customers, depreciation and impairment of assets (net), staff costs, value adjustments (net), provisions for costs and risks (net), financial income, financial expenses, share in profit in joint venture calculated using equity method, (income) / cost of income tax, basic and diluted (loss) / profit per share are presented in the Flash Report of INA Group and INA, d.d. for the period ended 30 June 2021.

**5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security**

INA Group and INA, d.d. have no debts maturing after more than five years or debts covered by pledges.

**6. average number of employees during the financial year**

During H1 2021, the average number of employees of the INA, d.d. was 3,306.

**7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries**

Capitalised internal labour are all direct staff cost that can be identified or associated with and are properly allocable to the construction, modification, or installation of specific items of capital assets and, as such can be amortized. In H1 2021 INA, d.d. capitalised labour in amounts of HRK 13 million.

At 30 June 2021, the staff cost includes cost of net salaries in the amount of HRK 216 million, cost of tax in amount of HRK 91 million and contributions for pension and health insurance in the amount HRK 49 million, and other payroll related costs in the amount HRK 99 million.

**8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year**

INA, d.d. deferred tax balance on 30 June 2021 compared to 31 December 2020 was decreased from HRK 981 million to HRK 1,054 million or by HRK 73 million.  
The reason for such decrease of INA, d.d. deferred tax is the result of positive business operations and reversal of temporary differences after legal preconditions were met.

**9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking**

INA Group companies –participating interest	Currency	Portion	Share capital	Total capital
HAYAN PETROLEUM COMPANY, Siria	SYP	50,00%	200.000	200.000
ED - INA d.o.o. ZAGREB	KN	50,00%	20.000	20.000
BELVEDERE d.d. - u stečaju, DUBROVNIK	KN	31,80%	104.724.000	104.724.000
MARINA PETROLEUM COMPANY, Egipt, Cairo	EGP	50,00%	20.000	20.000
ELEKRTOMETAL d.d. , Bjelovar	KN	30,75%	26.682.810	26.682.810
TERRA MINERALNA GNOJIVA	KN	50,00%	500.000	500.000
PLINARA d.o.o. PULA	KN	49,00%	35.835.300	35.835.300

**10. the number and the nominal value or, in the absence of a nominal value, the accounting par**

Share and issued and fully paid capital of INA, d.d. makes a total amount of HRK 9,000 million for the year ended 30 June 2021.

The share capital of the company consists of 10 million approved and issued shares with a nominal value of HRK 900. Each share carries one vote and is entitled to dividends.

**11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer**

Described facts and circumstances are not applicable for INA Group financial statements.

**12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability**

A detailed overview of INA Group's share in ownership and voting rights is presented as follows:

**Composition of the Group**

The name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			30 June 2021	31 December 2020
<i>Oilfield services</i>				
CROSCO, naftni servisi d.o.o.	Oilfield services	Croatia	100%	100%
Croscos B.V.	Oilfield services	Netherlands	100%	100%
NORDIC SHIPPING LIMITED	Lease of drilling platforms	Marshall Islands	100%	100%
SEA HORSE SHIPPING Inc	Lease of drilling platforms	Marshall Islands	100%	100%
Rotary Zrt.	Oilfield services	Hungary	100%	100%
CROSCO UKRAINE LLC.	Oilfield services	Ukraine	100%	100%
Croscos S.A. DE C.V.	Oilfield services	Mexico	99,90%	99,90%
ROTARY D&WS S.R.L.	Oilfield services	Romania	100%	-
<i>Tourism</i>				
*Hostin d.o.o.	Asset management, tourism	Croatia	100%	100%
<i>Ancillary services</i>				
STSI Integrirani tehnički servisi d.o.o.	Technical services	Croatia	100%	100%
*Top Računovodstvo Servisi d.o.o.	Accounting services	Croatia	100%	100%
Plavi tim d.o.o.	Informatics service	Croatia	100%	100%
*INA Vatrogasni Servisi d.o.o.	Firefighting	Croatia	100%	100%
*INA Industrijski Servisi d.o.o.	Holding company	Croatia	100%	100%
<i>Production and trading</i>				
*INA MAZIVA d.o.o.	Production and lubricants trading	Croatia	100%	100%
<i>Trading</i>				
*INA Slovenija d.o.o. Ljubljana	Foreign trading	Slovenia	100%	100%
*INA BH d.d. Sarajevo	Foreign trading	Bosnia and Herzegovina	100%	100%
*Holdina d.o.o. Sarajevo	Foreign trading	Bosnia and Herzegovina	100%	100%
*INA d.o.o. Beograd	Foreign trading	Serbia	100%	100%
*INA Kosovo d.o.o.	Foreign trading	Kosovo	100%	100%
*Adrigas S.r.l. Milano	Pipeline project company	Italy	100%	100%
*INA Crna Gora d.o.o.	Foreign trading	Montenegro	100%	100%
*PETROL d.d.	Trading	Croatia	-	100%
*CROPLIN d.o.o.	Production of gas, distribution network of gas fuels	Croatia	100%	100%
*INA Maloprodajni servisi d.o.o.	Trade agency in the domestic and foreign market	Croatia	100%	100%
*ENERGOPETROL d.d.	Retail (oil and lubricant)	Bosnia and Herzegovina	88,66%	88,66%
*INA BL d.o.o. Banja Luka	Trading	Bosnia and Herzegovina	100%	100%

**13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member**

The company MOL Nyrt, (Hungary, Október huszonharmadika u. 18. Budapest) prepares the consolidated financial statements for the larger Group of companies, in which INA, d.d. and INA Group are included as a MOL Group subsidiaries.

**14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13**

Described facts and circumstances are not applicable for INA Group financial statements.

**15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available**

Consolidated financial statements of MOL Group are available on MOL official web page: [www.molgroup.info](http://www.molgroup.info)

**16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking**

Described facts and circumstances are not applicable for INA Group financial statements.

**17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet**

There were no significant events in period from 30 June 2021 to date of the disclosure of the Condensed Quarterly Financial Statements.

**ADDITIONALLY**

Line of Income from the use of own products, goods and services, AOP004, in the amount of HRK 17,000,000 in H1 2021 (H1 2020: HRK 17,000,000) reduces the total expenses of the period in the Flash Report.

Line of Depreciation, amortisation and impairment (net) in Annual financial statements of INA, d.d. and INA d.d. for the year ended 30 June 2021 is equal of sum of two lines amortisation and value adjustments fixed assets other than financial assets in sheet PL.

Line Staff cost in Flash Report of INA, d.d. for the period ended 30 June 2021 includes other cost besides net salaries and tax. These other costs are presented in line other cost in sheet PL. Line of Staff costs is presented in line Other costs in amount of HRK 50,000,000 in H1 2020 and in amount of HRK 99,000,000 in H1 2021.

Line Right-of-use asset in Flash Report of INA, d.d. for the period ended 30 June 2021 in amount of HRK 432,000,000 and HRK 473,000,000 at 31 December 2020 is presented in group II. of tangible assets in accordance with class of asset in sheet BS.

Prepayments for Property, plant and equipment and intangible assets are presented in line od Long-term receivables and other asset of Flash Report of INA, d.d. for the period ended 30 June 2021 (in 2020 HRK 352,000,000 and 2021 HRK 344,000,000) while in TFI\_POD is presented in line AOP007 and AOP016.

Line of short-term Provision and line of short-term Employee benefit obligation in Flash Report of INA d.d. for the period ended 30 June 2021 are presented together with other liabilities in AOP123 Other short-term liabilities in sheet BS, in amount of HRK 180,000,000 at 31 December 2020, and in the amount of HRK 118,000,000 at 30 June 2021.



**INA, D.D.  
Q2 & H1 2021  
FINANCIAL REPORT**

Zagreb, July 2021

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## Management discussion and analysis

### INA, d.d. financial results (IFRS)

Q2 2020	Q2 2021	HRK mln	H1 2020	H1 2021	%
2,914	5,135	Net sales revenues*	6,621	8,920	35
496	750	EBITDA <sup>(1)</sup>	(37)	1,202	n.a.
<b>496</b>	<b>750</b>	<b>EBITDA excl. special items <sup>(2)</sup></b>	<b>(37)</b>	<b>1,202</b>	<b>n.a.</b>
(4)	355	Profit/(loss) from operations	(921)	426	n.a.
<b>(4)</b>	<b>355</b>	<b>Profit/(loss) from operations excl. special items <sup>(2)</sup></b>	<b>(921)</b>	<b>426</b>	<b>n.a.</b>
20	230	Net gain/(loss) from financial activities	(45)	181	n.a.
(69)	519	Profit/(loss) for the period	(869)	528	n.a.
<b>(69)</b>	<b>519</b>	<b>Profit/(loss) for the period excl. special items <sup>(2)</sup></b>	<b>(869)</b>	<b>528</b>	<b>n.a.</b>
<b>644</b>	<b>939</b>	Net cash inflow from operating activities	<b>547</b>	<b>710</b>	<b>30</b>
<b>Earnings per share</b>					
(6.9)	51.9	Basic and diluted earnings/(loss) per share (HRK per share)	(86.9)	52.8	n.a.
2,417	1,859	Net debt	2,417	1,859	(23)
18.1	14.6	Net gearing (%)	18.1	14.6	
<b>315</b>	<b>376</b>	<b>CAPEX</b>	<b>502</b>	<b>603</b>	<b>20</b>

  

Q2 2020	Q2 2021	USD mln <sup>(3)</sup>	H1 2020	H1 2021	%
423	822	Net sales revenues*	969	1,425	47
72	120	EBITDA <sup>(1)</sup>	(7)	192	n.a.
<b>72</b>	<b>120</b>	<b>EBITDA excl. special items <sup>(2)</sup></b>	<b>(7)</b>	<b>192</b>	<b>n.a.</b>
(1)	57	Profit/(loss) from operations	(136)	68	n.a.
<b>(1)</b>	<b>57</b>	<b>Profit/(loss) from operations excl. special items <sup>(2)</sup></b>	<b>(136)</b>	<b>68</b>	<b>n.a.</b>
3	37	Net income/(loss) from financial activities	(7)	29	n.a.
(10)	83	Profit/(loss) for the period	(128)	85	n.a.
<b>(10)</b>	<b>83</b>	<b>Profit/(loss) for the period excl. special items <sup>(2)</sup></b>	<b>(128)</b>	<b>85</b>	<b>n.a.</b>
<b>93</b>	<b>150</b>	Net cash inflow from operating activities	<b>79</b>	<b>114</b>	<b>44</b>
<b>Earnings per share</b>					
(1.0)	8.3	Basic and diluted earnings/(loss) per share (USD per share)	(12.8)	8.5	n.a.
360	296	Net debt	360	296	(18)
<b>46</b>	<b>60</b>	<b>CAPEX</b>	<b>73</b>	<b>96</b>	<b>32</b>

\* Related to Revenue from contracts with customers

(1) EBITDA = EBIT + Depreciation, amortization and impairment (net)

(2) In reporting period the result was not impacted by special items

(3) In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q2 2020 – 6.8900 HRK/USD; Q2 2021 – 6.2464 HRK/USD; for H1 2020 – 6.8369 HRK/USD; for H1 2021 – 6.2602 HRK/USD; as at 31 December 2020 – 6.1390 HRK/USD; as at 30 June 2020 – 6.7076 HRK/USD; as at 30 June 2021 – 6.2904 HRK/USD

### Financial and operational highlights

Second quarter of 2021 has shown further improvement in external environment with Brent prices well above USD 60 per barrel and CEGH gas price at 28 EUR per MWh. Product demand has increased close to pre-crisis levels in our core region, however the COVID-19 pandemic is not over yet, therefore economic recovery remains still fragile.

EBITDA of INA d.d. surpassed HRK 1,2 billion while profit for the first half of 2021 amounted to HRK 528 million. Exploration and Production segment benefited strongly from the higher hydrocarbon prices and increased its EBITDA contribution by 67% to HRK 910 million, despite 11% lower production caused mainly by natural decline. Refining and Marketing incl. Consumer services and Retail also benefited from the increased crude and product prices through positive inventory revaluation. Retail contribution remained strong as sales volumes increased by 11%, in line with the easing of travel restrictions and general market recovery, while non-fuel segment also shows constant growth.

Investment activities increased in all segments compared to H1 2020, strategic investments also continue with Rijeka Refinery Upgrade being the main project. Net profit impacted by received accumulated dividends from OMV Slovenia in the amount of HRK 160 million, which all resulted in strong financial position, with low debt level of HRK 1,859 million and net gearing of 14.6%.



## Condensed non-consolidated Statement of Profit or Loss

For the period ended 30 June 2020 and 2021 (in HRK millions)

Q2 2020	Q2 2021		H1 2020	H1 2021	%
2,914	5,135	<b>Revenue from contracts with customers</b>	6,621	8,920	35
30	76	Other operating income	67	129	93
<b>2,944</b>	<b>5,211</b>	<b>Total operating income</b>	<b>6,688</b>	<b>9,049</b>	<b>35</b>
157	52	Changes in inventories of finished products and work in progress	(375)	614	n.a.
(1,495)	(3,140)	Cost of raw materials and consumables	(2,724)	(4,119)	51
(500)	(395)	Depreciation, amortisation and impairment (net)	(884)	(776)	(12)
(492)	(557)	Other material costs*	(924)	(1,014)	10
(165)	(188)	Service costs*	(355)	(373)	5
(166)	(241)	Staff costs*	(361)	(430)	19
(382)	(401)	Cost of other goods sold	(1,940)	(2,516)	30
93	10	Impairment charges (net)	(47)	16	n.a.
(5)	(5)	Provision for charges and risks (net)*	(16)	(42)	163
7	9	Capitalised value of own performance	17	17	(0)
<b>(2,948)</b>	<b>(4,856)</b>	<b>Total operating expenses</b>	<b>(7,609)</b>	<b>(8,623)</b>	<b>13</b>
<b>(4)</b>	<b>355</b>	<b>Profit/(loss) from operations</b>	<b>(921)</b>	<b>426</b>	<b>n.a.</b>
9	197	Finance income	73	271	271
11	33	Finance costs	(118)	(90)	(24)
<b>20</b>	<b>230</b>	<b>Net income/(loss) from financial activities</b>	<b>(45)</b>	<b>181</b>	<b>n.a.</b>
<b>40</b>	<b>6</b>	<b>Share of profit/(loss) of joint ventures accounted for using</b>	<b>45</b>	<b>(7)</b>	<b>n.a.</b>
<b>56</b>	<b>591</b>	<b>Profit/(loss) before tax</b>	<b>(921)</b>	<b>600</b>	<b>n.a.</b>
(125)	(72)	Income tax benefit/(expense)	52	(72)	n.a.
<b>(69)</b>	<b>519</b>	<b>Profit/(loss) for the period</b>	<b>(869)</b>	<b>528</b>	<b>n.a.</b>
<b>Earnings per share</b>					
(6.9)	51.9	Basic and diluted earnings/(loss) per share (HRK per share)	(86.9)	52.8	n.a.

\*Restatement of comparable previous periods was made – see on page 9

## Condensed non-consolidated Statement of Financial Position

At 31 December 2020 and 30 June 2021 (in HRK millions)

	31 December 2020	30 June 2021	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	415	402	(3)
Property, plant and equipment	10,417	10,300	(1)
Right-of-use asset	473	432	(9)
Investment in subsidiaries	1,827	1,823	(0)
Investments in associates and joint venture	254	247	(3)
Other investments	767	724	(6)
Long-term receivables	850	874	3
Deferred tax assets	1,054	981	(7)
Non-current financial assets	560	567	1
<b>Total non-current assets</b>	<b>16,617</b>	<b>16,350</b>	<b>(2)</b>
<b>Current assets</b>			
Inventories	1,399	2,953	111
Intercompany receivables	173	216	25
Trade receivables (net)	866	1,468	70
Other receivables	155	251	62
Other current assets	98	171	74
Marketable securities	78	-	n.a.
Cash and cash equivalents	351	697	99
<b>Current assets</b>	<b>3,120</b>	<b>5,756</b>	<b>84</b>
Assets classified as held for sale	7	1	(86)
<b>Total current assets</b>	<b>3,127</b>	<b>5,757</b>	<b>84</b>
<b>Total assets</b>	<b>19,744</b>	<b>22,107</b>	<b>12</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	9,000	9,000	-
Legal reserves	199	199	-
Fair value reserves	202	207	2
Other reserves	1,171	1,189	2
Retained earnings/(accumulated losses)	(241)	287	n.a.
<b>Total equity</b>	<b>10,331</b>	<b>10,882</b>	<b>5</b>
<b>Non-current liabilities</b>			
Long-term loans	-	189	n.a.
Long-term lease liabilities	379	339	(11)
Other non-current liabilities	33	30	(9)
Employee benefit obligation	17	17	(0)
Provisions	3,862	3,890	1
<b>Total non-current liabilities</b>	<b>4,291</b>	<b>4,465</b>	<b>4</b>
<b>Current liabilities</b>			
Bank loans	1,873	2,367	26
Current portion of long-term lease liabilities	100	99	(1)
Intercompany payables	346	329	(5)
Trade payables	1,104	2,347	113
Taxes and contributions	554	877	58
Other current liabilities	965	623	(35)
Employee benefit obligation	2	2	-
Provisions	178	116	(35)
<b>Total current liabilities</b>	<b>5,122</b>	<b>6,760</b>	<b>32</b>
<b>Total liabilities</b>	<b>9,413</b>	<b>11,225</b>	<b>19</b>
<b>Total equity and liabilities</b>	<b>19,744</b>	<b>22,107</b>	<b>12</b>



## Condensed non-consolidated Cash Flow Statement (Indirect method)

For the period ended 30 June 2020 and 2021 (in HRK millions)

Q2 2020	Q2 2021		H1 2020	H1 2021	%
(69)	519	<b>Profit/(loss) for the period:</b>	(869)	528	n.a.
		<b>Adjustments for:</b>			
500	395	Depreciation, amortisation and impairment of property, plant and equipment and ROU asset (net)	884	776	(12)
125	72	Income tax (benefit)/expense recognised in profit and loss	(52)	72	n.a.
(93)	(10)	Impairment charges (net)	47	(16)	n.a.
(3)	(3)	Loss/(Gain) on sale of property, plant and equipment	(5)	(4)	(20)
(6)	(54)	Foreign exchange (gain)/loss	39	1	(97)
(2)	(2)	Interest (gain)/expense (net)	-	(5)	n.a.
(40)	(6)	Share of (gain)/loss of joint ventures accounted for using the equity method	(45)	7	n.a.
(4)	(193)	Other finance (income)/expense recognised in profit	4	(216)	n.a.
(89)	(70)	Increase/(decrease) in provision	(83)	(36)	(57)
13	20	Decommissioning interests and other provision	27	40	48
162	146	Net (gain)/loss on derivative financial instruments and hedge transactions	171	191	12
-	-	Other non-cash items	-	(1)	n.a.
<b>494</b>	<b>814</b>	<b>Operating cash flow before working capital changes</b>	<b>118</b>	<b>1,337</b>	<b>1,033</b>
		<b>Movements in working capital</b>			
(662)	(480)	Decrease/(Increase) in inventories	(258)	(1,700)	559
94	(102)	Decrease/(Increase) in receivables and prepayments	314	(1,250)	n.a.
718	716	(Decrease)/Increase in trade and other payables	373	2,332	525
<b>644</b>	<b>948</b>	<b>Cash generated from operations</b>	<b>547</b>	<b>719</b>	<b>31</b>
-	(9)	Taxes paid	-	(9)	n.a.
<b>644</b>	<b>939</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<b>547</b>	<b>710</b>	<b>30</b>
		<b>Cash flows used in investing activities</b>			
(307)	(358)	Capital expenditures, exploration and development costs	(491)	(606)	23
(8)	(36)	Payment for intangible assets	(11)	(41)	273
5	3	Proceeds from sale of non-current assets	5	11	120
-	(5)	Investment in securities	18	-	
-	160	Dividends received from companies classified as non-current financial assets available for sale and from other companies	-	160	n.a.
25	43	Payments received from subsidiaries	25	43	72
-	51	Interest received and other financial income	6	65	983
(39)	11	Loans and other investments (net)	(6)	25	n.a.
<b>(324)</b>	<b>(131)</b>	<b>Net cash used for investing activities</b>	<b>(454)</b>	<b>(343)</b>	<b>(24)</b>
		<b>Cash flows from financing activities</b>			
(644)	14	Change in long-term borrowings (net)	(335)	204	n.a.
(361)	(182)	Change in short-term borrowings (net)	133	517	289
(24)	(28)	Change of principal portion of lease liabilities	(48)	(40)	(17)
-	-	Dividends paid	-	(585)	n.a.
(104)	(124)	Interest paid on short-term loans and other financing charges	(108)	(123)	14
<b>(1,133)</b>	<b>(320)</b>	<b>Net cash from financing activities</b>	<b>(358)</b>	<b>(27)</b>	<b>(92)</b>
(813)	488	Net increase/(decrease) in cash and cash equivalents	(265)	340	n.a.
1,068	209	At the beginning of the period	502	351	(30)
(10)	-	Effect of foreign exchange rate changes	(7)	6	n.a.
245	697	At the end of period	230	697	203
(15)	-	Overdrafts	-	-	n.a.
<b>230</b>	<b>697</b>	<b>Cash and cash equivalents in statement of financial position</b>	<b>230</b>	<b>697</b>	<b>203</b>



## INA, d.d. Summary Segmental Results of Operations

Q2 2020	Q2 2021	HRK mln	H1 2020	H1 2021	%
<b>Net sales revenues</b>					
347	869	Exploration and Production	1,153	1,557	35
2,878	4,985	Refining and Marketing including Consumer services and Retail	6,514	8,708	34
79	84	Corporate and Other	160	168	5
(390)	(803)	Intersegment transfers and consolidation adjustments	(1,206)	(1,513)	25
<b>2,914</b>	<b>5,135</b>	<b>Total</b>	<b>6,621</b>	<b>8,920</b>	<b>35</b>
<b>EBITDA*</b>					
127	509	Exploration and Production	546	910	67
263	334	Refining and Marketing including Consumer services and Retail	(717)	471	n.a.
(34)	(26)	Corporate and Other	(66)	(53)	(20)
140	(67)	Intersegment transfers and consolidation adjustments	200	(126)	n.a.
<b>496</b>	<b>750</b>	<b>Total</b>	<b>(37)</b>	<b>1,202</b>	<b>n.a.</b>
<b>EBITDA excluding Special Items</b>					
127	509	Exploration and Production	546	910	67
263	334	Refining and Marketing including Consumer services and Retail	(717)	471	n.a.
(34)	(26)	Corporate and Other	(66)	(53)	(20)
140	(67)	Intersegment transfers and consolidation adjustments	200	(126)	n.a.
<b>496</b>	<b>750</b>	<b>Total</b>	<b>(37)</b>	<b>1,202</b>	<b>n.a.</b>
<b>Profit/(Loss) from operations</b>					
(166)	314	Exploration and Production	83	532	541
83	162	Refining and Marketing including Consumer services and Retail	(1,085)	128	n.a.
(61)	(54)	Corporate and Other	(119)	(108)	(9)
140	(67)	Intersegment transfers and consolidation adjustments	200	(126)	n.a.
<b>(4)</b>	<b>355</b>	<b>Total</b>	<b>(921)</b>	<b>426</b>	<b>n.a.</b>
<b>Profit/(Loss) from operations excluding Special Items</b>					
(166)	314	Exploration and Production	83	532	541
83	162	Refining and Marketing including Consumer services and Retail	(1,085)	128	n.a.
(61)	(54)	Corporate and Other	(119)	(108)	(9)
140	(67)	Intersegment transfers and consolidation adjustments	200	(126)	n.a.
<b>(4)</b>	<b>355</b>	<b>Total</b>	<b>(921)</b>	<b>426</b>	<b>n.a.</b>
<b>Property, plant and equipment</b>					
4,498	4,348	Exploration and Production	4,498	4,348	(3)
5,820	5,693	Refining and Marketing including Consumer services and Retail	5,820	5,693	(2)
321	259	Corporate and Other	321	259	(19)
-	-	Intersegment transfers and consolidation adjustments	-	-	n.a.
<b>10,639</b>	<b>10,300</b>	<b>Total</b>	<b>10,639</b>	<b>10,300</b>	<b>(3)</b>

\*EBITDA= EBIT - Depreciation, amortisation and impairment (net)

## Financial overview and notes

### Condensed non-consolidated Statement of Profit or Loss

**Revenue from contract with customers** in H1 2021 amounted to HRK 8,920 million and is above the H1 2020 level, triggered mainly by higher sales revenues as a result of improvement in Brent price and product quotations.

**Costs of raw materials and consumables** at HRK (4,119) million were 51% higher than H1 2020 level, reflecting different dynamic of refinery operations and higher prices.

Other **operating costs** realized in H1 2021 include:

- Other material costs in the amount of HRK (1,014) million were higher by 10% mainly driven by higher maintenance and geological services costs
- Service costs in the amount of HRK (373) million were 5% higher mainly due to higher intellectual and information services than in H1 2020
- Depreciation, amortisation and impairment (net) in the amount of HRK (776) million were 12% lower compared to H1 2020
- In H1 2021, impairment charges had a positive effect in the amount of HRK 16 million compared to HRK (47) million negative effect in H1 2020
- Provision for charges and risk (net) in the amount of HRK (42) million were higher compared to HRK (16) million in H1 2020.

**Staff costs** in the amount HRK (430) million were 19% higher compared to H1 2020.

**Costs of other goods sold** in H1 2021 increased by 30% compared to H1 2020 and amounted to HRK (2,516) million resulting from higher import and prices increase.

**Net result from financial activities** in H1 2021 is positive in the amount of HRK 181 million compared to HRK (45) million of net financial loss in H1 2020.

**Income tax expense** in H1 2021 amounted to HRK (72) million compared to HRK 52 million income tax benefit in H1 2020. Tax costs and deferred taxes during the reporting period are calculated based on actual results and the profit tax rate, 18% for the periods ended 30 June 2020 and 2021.

### Condensed non-consolidated Statement of Financial Position

**Total assets** of INA d.d., as at 30 June 2021 amounted to HRK 22,107 million and are 12% higher compared to 31 December 2020.

**Property, plant and equipment** amounted to HRK 10,300 million and were 1% lower than 31 December 2020.

**Trade receivables, net** increased to HRK 1,468 million compared to HRK 866 million on 31 December 2020, mainly due to higher sales and improving price environment.

**Total liabilities** amounted to HRK 11,225 million and were 19% higher compared to 31 December 2020.

INA, d.d. **net debt** amounted to HRK 1,859 million and increased compared to 31 December 2020. **Net gearing** increased from 12.3% as at 31 December 2020, to 14.6% as at 30 June 2021.

**Trade payables** increased from 31 December 2020 to HRK 2,347 million at 30 June 2021, mainly due to higher prices of imported crude oil and refined products.

### Condensed non-consolidated Cash Flow Statement (Indirect method)

**The operating cash flow before movements in working capital** amounted to HRK 1,337 million in H1 2021, which is an increase compared to the same period last year which is in line with the change in EBITDA performance excluding non-cash items.

**Movements in working capital** affected the operating cash flow negatively by HRK (618) million, primarily due to:

- Increase in value of inventories in the amount of HRK (1,700) million mainly related to higher prices together with higher crude oil volumes
- Increase in receivables and prepayments in the amount of HRK (1,250) million mainly related to higher sales volumes and prices
- Increase in trade and other payables in the amount of HRK 2,332 million.

INA d.d. generated HRK 710 million net cash inflow from operating activities in H1 2021 compared to HRK 547 million inflow in H1 2020.

## Reclassification

INA Management Board adopted at December 2020 the updated version of INA Group Accounting Policies and Procedures. The updated version of INA Group Accounting Policies and Procedures policies have been consistently applied to all the periods presented, unless otherwise stated. If the items in the consolidated financial statements is amended, all comparative amounts are reclassified.

INA d.d. adjusted its classification between operating income and operating expense lines to align Group reporting standards, line Capitalised value of own performance was reclassified to Operating expenses in amount of HRK 17 million in period H1 2020. Additionally, utilization of provisions in amount of HRK 99 million in H1 2020 was reclassified to the same line as realized costs (HRK 58 million in Other material cost, HRK 18 million in Service costs and HRK 23 million in Staff costs).

## Special items in operating profit and EBITDA

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. INA has adopted the materiality level for the special items in the amount of USD 10 million or above. If special items reach materiality level on cumulative basis, previous quarters are restated. Furthermore, in accordance with the adopted accounting policies and IFRS 36 – Impairment of Assets, INA performs impairment testing at the end of each reporting period if impairment indicators are assessed to be significant.

In H1 2021, there were no special items impacting the result.

## Changes in equity

	Share capital	Legal reserves	Fair value reserves	Other reserves	Retained earnings/ (accumulated losses)	Total
<b>Balance at 1 January 2020</b>	<b>9,000</b>	<b>166</b>	<b>241</b>	<b>1,214</b>	<b>1,273</b>	<b>11,894</b>
Profit/(loss) for the period	-	-	-	-	(869)	(869)
Other comprehensive gain/(loss), net	-	-	(67)	5	-	(62)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>(67)</b>	<b>5</b>	<b>(869)</b>	<b>(931)</b>
<b>Balance at 30 June 2020</b>	<b>9,000</b>	<b>166</b>	<b>174</b>	<b>1,219</b>	<b>404</b>	<b>10,963</b>
<b>Balance at 1 January 2021</b>	<b>9,000</b>	<b>199</b>	<b>202</b>	<b>1,171</b>	<b>(241)</b>	<b>10,331</b>
Profit/(loss) for the period	-	-	-	-	528	528
Other comprehensive gain/(loss), net	-	-	5	18	-	23
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>18</b>	<b>528</b>	<b>551</b>
<b>Balance at 30 June 2021</b>	<b>9,000</b>	<b>199</b>	<b>207</b>	<b>1,189</b>	<b>287</b>	<b>10,882</b>

## Related party transactions

INA, d.d. has dominant positions in Croatia in oil and gas exploration and production, oil refining and the sale of gas and petroleum products. As a result of the INA, d.d. strategic position within the Croatian economy, a substantial portion of its business is transacted with the Croatian Government, its departments and agencies, and the companies with the Republic of Croatia being their majority shareholder.

Details of transactions between INA, d.d., other INA Group companies and other related parties during H1 2021 are disclosed below:

<b>INA, d.d.</b>	<b>Sales of goods and services</b>	<b>Purchase of goods and services</b>
<b>HRK mln</b>	<b>H1 2021</b>	<b>H1 2021</b>
<b>Related companies</b>		
Holdina d.o.o. Sarajevo	920	-
INA Crna Gora d.o.o. Podgorica	132	-
INA Slovenija d.o.o. Ljubljana	49	-
STSI, Integrirani tehnički servisi d.o.o.	12	175
Plavi tim d.o.o.	7	46
CROSCO, naftni servisi d.o.o.	5	94
INA Maloprodajni servisi d.o.o.	4	162
INA MAZIVA d.o.o.	2	25
Top Računovodstvo Servisi d.o.o.	2	21
INA Vatrogasni Servisi d.o.o.	2	38
Hostin d.o.o.	1	-
Adrigas S.r.l. Milano	-	1
<b>Share in company as non-current financial assets</b>		
JANAF d.d. Zagreb	-	24
<b>Governing company</b>		
MOL Nyrt.	713	737
<b>Companies controlled by governing company</b>		
Tifon d.o.o.	253	5
MOL Petrochemicals Co. Ltd.	31	5
MOL Commodity Trading Kft.	-	22
MOL Slovenija d.o.o.	14	-
MOL Serbia d.o.o.	47	-
SLOVNAFT, a.s.	2	104
IES - Italiana Energia e Servizi S.p.A	-	10
MOL Azerbaijan Ltd.	-	572
<b>INA, d.d.</b>	<b>Amounts owed from related parties</b>	<b>Amounts owed to related parties</b>
<b>HRK mln</b>	<b>30 June 2021</b>	<b>30 June 2021</b>
<b>Related companies</b>		
Holdina d.o.o. Sarajevo	146	-
INA Crna Gora d.o.o. Podgorica	42	-
INA Slovenija d.o.o. Ljubljana	7	-
STSI, Integrirani tehnički servisi d.o.o.	5	47
CROSCO, naftni servisi d.o.o.	1	27
Plavi tim d.o.o.	7	24
INA MAZIVA d.o.o.	1	11
INA Maloprodajni servisi d.o.o.	1	41
Top Računovodstvo Servisi d.o.o.	1	4
INA Vatrogasni Servisi d.o.o.	1	8
Adrigas S.r.l. Milano	-	1
<b>Share in company as non-current financial assets</b>		
JANAF d.d. Zagreb	-	7
<b>Governing company</b>		
MOL Nyrt.	76	303
<b>Companies controlled by governing company</b>		
MOL Commodity Trading Kft.	216	214
Tifon d.o.o.	34	2
MOL Petrochemicals Co. Ltd.	7	-
MOL Slovenija d.o.o.	6	4
MOL Serbia d.o.o.	24	-
SLOVNAFT, a.s.	3	35
IES - Italiana Energia e Servizi S.p.A	-	4
MOL Azerbaijan Ltd.	-	285

## Management representation

INA, d.d. non-consolidated financial statements for H1 2021 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.

### Management Board:

- Sándor Fasimon – President of the Management Board
- Niko Dalić – Member of the Management Board
- Barbara Dorić – Member of the Management Board
- Ferenc Horváth – Member of the Management Board
- Darko Markotić – Member of the Management Board
- József Simola – Member of the Management Board