

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01.01.2021.

to

31.03.2021.

Year:

2021

Quarter:

1.

Quarterly financial statements

Registration number (MB):

03586243

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

08000604

Personal identification
number (OIB):

27759560625

LEI:

213800RUSOJPD19H13

Institution
code:

2560

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

Postcode and town:

10 020

ZAGREB

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

3313

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 & YOUNG d.o.o. Zagreb

(name of the audit firm)

Certified auditor: Berislav Horvat

(name and surname)

BALANCE SHEET
balance as at 31.03.2021.

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 |
| A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID | 001 | 0 | 0 |
| B) FIXED ASSETS (ADP 003+010+020+031+036) | 002 | 16.617.000.000 | 16.560.000.000 |
| I INTANGIBLE ASSETS (ADP 004 to 009) | 003 | 433.000.000 | 477.000.000 |
| 1 Research and development | 004 | 0 | 0 |
| 2 Concessions, patents, licences, trademarks, software and other rights | 005 | 100.000.000 | 137.000.000 |
| 3 Goodwill | 006 | 0 | 0 |
| 4 Advances for the purchase of intangible assets | 007 | 18.000.000 | 25.000.000 |
| 5 Intangible assets in preparation | 008 | 315.000.000 | 315.000.000 |
| 6 Other intangible assets | 009 | 0 | 0 |
| II TANGIBLE ASSETS (ADP 011 to 019) | 010 | 11.224.000.000 | 11.086.000.000 |
| 1 Land | 011 | 1.007.000.000 | 985.000.000 |
| 2 Buildings | 012 | 4.491.000.000 | 4.406.000.000 |
| 3 Plant and equipment | 013 | 2.530.000.000 | 2.503.000.000 |
| 4 Tools, working inventory and transportation assets | 014 | 334.000.000 | 319.000.000 |
| 5 Biological assets | 015 | 0 | 0 |
| 6 Advances for the purchase of tangible assets | 016 | 334.000.000 | 319.000.000 |
| 7 Tangible assets in preparation | 017 | 2.051.000.000 | 2.090.000.000 |
| 8 Other tangible assets | 018 | 477.000.000 | 464.000.000 |
| 9 Investment property | 019 | 0 | 0 |
| III FIXED FINANCIAL ASSETS (ADP 021 to 030) | 020 | 3.408.000.000 | 3.405.000.000 |
| 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 | 758.000.000 |
| 4. Investments in holdings (shares) of companies linked by virtue of participating interests | 024 | 262.000.000 | 249.000.000 |
| 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 |
| IV RECEIVABLES (ADP 032 to 035) | 031 | 438.000.000 | 539.000.000 |
| 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 | 26.000.000 |
| 4 Other receivables | 035 | 461.000.000 | 504.000.000 |
| V DEFERRED TAX ASSETS | 036 | 1.054.000.000 | 1.053.000.000 |
| C) CURRENT ASSETS (ADP 038+046+053+063) | 037 | 3.097.000.000 | 5.107.000.000 |
| I INVENTORIES (ADP 039 to 045) | 038 | 1.406.000.000 | 2.569.000.000 |
| 1 Raw materials and consumables | 039 | 288.000.000 | 1.014.000.000 |
| 2 Work in progress | 040 | 417.000.000 | 638.000.000 |
| 3 Finished goods | 041 | 419.000.000 | 754.000.000 |
| 4 Merchandise | 042 | 275.000.000 | 163.000.000 |
| 5 Advances for inventories | 043 | 0 | 0 |
| 6 Fixed assets held for sale | 044 | 7.000.000 | 0 |
| 7 Biological assets | 045 | 0 | 0 |
| II RECEIVABLES (ADP 047 to 052) | 046 | 1.194.000.000 | 2.242.000.000 |
| 1 Receivables from undertakings within the group | 047 | 173.000.000 | 225.000.000 |
| 2 Receivables from companies linked by virtue of participating interests | 048 | 0 | 0 |
| 3 Customer receivables | 049 | 866.000.000 | 1.890.000.000 |
| 4 Receivables from employees and members of the undertaking | 050 | 1.000.000 | 1.000.000 |
| 5 Receivables from government and other institutions | 051 | 5.000.000 | 3.000.000 |
| 6 Other receivables | 052 | 149.000.000 | 123.000.000 |
| III CURRENT FINANCIAL ASSETS (ADP 054 to 062) | 053 | 146.000.000 | 87.000.000 |
| 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 | 22.000.000 |
| 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 | 64.000.000 |
| IV CASH AT BANK AND IN HAND | 063 | 351.000.000 | 209.000.000 |
| D) PREPAID EXPENSES AND ACCRUED INCOME | 064 | 30.000.000 | 72.000.000 |
| E) TOTAL ASSETS (ADP 001+002+037+064) | 065 | 19.744.000.000 | 21.739.000.000 |
| OFF-BALANCE SHEET ITEMS | 066 | 0 | 0 |
| LIABILITIES | | | |
| A) CAPITAL AND RESERVES (ADP 068 to 069) | 067 | 10.331.000.000 | 10.373.000.000 |
| 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 | 1.398.000.000 |
| 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 | 1.199.000.000 |
| 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 | 9.000.000 |
| 1 Profit for the business year | 087 | 0 | 9.000.000 |
| 2 Loss for the business year | 088 | 933.000.000 | 0 |
| VIII MINORITY (NON-CONTROLLING) INTEREST | 089 | 0 | 0 |
| B) PROVISIONS (ADP 091 to 096) | 090 | 3.879.000.000 | 3.901.000.000 |
| 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 | 3.316.000.000 |
| 5 Provisions for warranty obligations | 095 | 0 | 0 |
| 6 Other provisions | 096 | 553.000.000 | 564.000.000 |
| C) LONG-TERM LIABILITIES (ADP 098 to 108) | 097 | 412.000.000 | 590.000.000 |
| 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 | 364.000.000 |
| 6 Liabilities to banks and other financial institutions | 103 | 0 | 194.000.000 |
| 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 | 32.000.000 |
| 11 Deferred tax liability | 108 | 0 | 0 |
| D) SHORT-TERM LIABILITIES (ADP 110 to 123) | 109 | 5.022.000.000 | 6.777.000.000 |
| 1 Liabilities to undertakings within the group | 110 | 215.000.000 | 161.000.000 |
| 2 Liabilities for loans, deposits, etc. of undertakings within the group | 111 | 131.000.000 | 182.000.000 |
| 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 | 102.000.000 |
| 6 Liabilities to banks and other financial institutions | 115 | 1.873.000.000 | 2.567.000.000 |
| 7 Liabilities for advance payments | 116 | 26.000.000 | 27.000.000 |
| 8 Liabilities to suppliers | 117 | 1.104.000.000 | 2.536.000.000 |
| 9 Liabilities for securities | 118 | 0 | 0 |
| 10 Liabilities to employees | 119 | 39.000.000 | 36.000.000 |
| 11 Taxes, contributions and similar liabilities | 120 | 554.000.000 | 702.000.000 |
| 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 | 464.000.000 |
| E) ACCRUALS AND DEFERRED INCOME | 124 | 100.000.000 | 98.000.000 |
| F) TOTAL – LIABILITIES (ADP 067+090+097+109+124) | 125 | 19.744.000.000 | 21.739.000.000 |
| G) OFF-BALANCE SHEET ITEMS | 126 | 0 | 0 |

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021. to 31.03.2021.

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 |
| I OPERATING INCOME (ADP 002 to 006) | 001 | 3.754.000.000 | 3.754.000.000 | 3.846.000.000 | 3.846.000.000 |
| 1 Income from sales with undertakings within the group | 002 | 583.000.000 | 583.000.000 | 504.000.000 | 504.000.000 |
| 2 Income from sales (outside group) | 003 | 3.124.000.000 | 3.124.000.000 | 3.281.000.000 | 3.281.000.000 |
| 3 Income from the use of own products, goods and services | 004 | 10.000.000 | 10.000.000 | 8.000.000 | 8.000.000 |
| 4 Other operating income with undertakings within the group | 005 | 3.000.000 | 3.000.000 | 4.000.000 | 4.000.000 |
| 5 Other operating income (outside the group) | 006 | 34.000.000 | 34.000.000 | 49.000.000 | 49.000.000 |
| II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029) | 007 | 4.671.000.000 | 4.671.000.000 | 3.775.000.000 | 3.775.000.000 |
| 1 Changes in inventories of work in progress and finished goods | 008 | 532.000.000 | 532.000.000 | -562.000.000 | -562.000.000 |
| 2 Material costs (ADP 010 to 012) | 009 | 3.219.000.000 | 3.219.000.000 | 3.551.000.000 | 3.551.000.000 |
| a) Costs of raw materials and consumables | 010 | 1.229.000.000 | 1.229.000.000 | 979.000.000 | 979.000.000 |
| b) Costs of goods sold | 011 | 1.558.000.000 | 1.558.000.000 | 2.115.000.000 | 2.115.000.000 |
| c) Other external costs | 012 | 432.000.000 | 432.000.000 | 457.000.000 | 457.000.000 |
| 3 Staff costs (ADP 014 to 016) | 013 | 171.000.000 | 171.000.000 | 185.000.000 | 185.000.000 |
| a) Net salaries and wages | 014 | 102.000.000 | 102.000.000 | 112.000.000 | 112.000.000 |
| b) Tax and contributions from salary costs | 015 | 45.000.000 | 45.000.000 | 48.000.000 | 48.000.000 |
| c) Contributions on salaries | 016 | 24.000.000 | 24.000.000 | 25.000.000 | 25.000.000 |
| 4 Depreciation | 017 | 384.000.000 | 384.000.000 | 381.000.000 | 381.000.000 |
| 5 Other costs | 018 | 214.000.000 | 214.000.000 | 189.000.000 | 189.000.000 |
| 6 Value adjustments (ADP 020+021) | 019 | 140.000.000 | 140.000.000 | -6.000.000 | -6.000.000 |
| a) fixed assets other than financial assets | 020 | 0 | 0 | 0 | 0 |
| b) current assets other than financial assets | 021 | 140.000.000 | 140.000.000 | -6.000.000 | -6.000.000 |
| 7 Provisions (ADP 023 to 028) | 022 | 11.000.000 | 11.000.000 | 37.000.000 | 37.000.000 |
| a) Provisions for pensions, termination benefits and similar obligations | 023 | 30.000.000 | 30.000.000 | 13.000.000 | 13.000.000 |
| b) Provisions for tax liabilities | 024 | 0 | 0 | 0 | 0 |
| c) Provisions for ongoing legal cases | 025 | 3.000.000 | 3.000.000 | 3.000.000 | 3.000.000 |
| d) Provisions for renewal of natural resources | 026 | -20.000.000 | -20.000.000 | 19.000.000 | 19.000.000 |
| e) Provisions for warranty obligations | 027 | 0 | 0 | 0 | 0 |
| f) Other provisions | 028 | -2.000.000 | -2.000.000 | 2.000.000 | 2.000.000 |
| 8 Other operating expenses | 029 | 0 | 0 | 0 | 0 |
| III FINANCIAL INCOME (ADP 031 to 040) | 030 | 59.000.000 | 59.000.000 | 74.000.000 | 74.000.000 |
| 1 Income from investments in holdings (shares) of undertakings within the group | 031 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 |
| 4 Other interest income from operations with undertakings within the group | 034 | 6.000.000 | 6.000.000 | 6.000.000 | 6.000.000 |
| 5 Exchange rate differences and other financial income from operations with undertakings within the group | 035 | 14.000.000 | 14.000.000 | 2.000.000 | 2.000.000 |
| 6 Income from other long-term financial investments and loans | 036 | 0 | 0 | 0 | 0 |
| 7 Other interest income | 037 | 1.000.000 | 1.000.000 | 1.000.000 | 1.000.000 |
| 8 Exchange rate differences and other financial income | 038 | 38.000.000 | 38.000.000 | 65.000.000 | 65.000.000 |
| 9 Unrealised gains (income) from financial assets | 039 | 0 | 0 | 0 | 0 |
| 10 Other financial income | 040 | 0 | 0 | 0 | 0 |
| IV FINANCIAL EXPENSES (ADP 042 to 048) | 041 | 124.000.000 | 124.000.000 | 123.000.000 | 123.000.000 |
| 1 Interest expenses and similar expenses with undertakings within the group | 042 | 1.000.000 | 1.000.000 | 1.000.000 | 1.000.000 |
| 2 Exchange rate differences and other expenses from operations with undertakings within the group | 043 | 0 | 0 | 0 | 0 |
| 3 Interest expenses and similar expenses | 044 | 21.000.000 | 21.000.000 | 25.000.000 | 25.000.000 |
| 4 Exchange rate differences and other expenses | 045 | 101.000.000 | 101.000.000 | 97.000.000 | 97.000.000 |
| 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 | 1.000.000 | 0 | 0 |
| V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS | 049 | | | 0 | 0 |
| VI SHARE IN PROFIT FROM JOINT VENTURES | 050 | 5.000.000 | 5.000.000 | 0 | 0 |
| VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST | 051 | 0 | 0 | 0 | 0 |
| VIII SHARE IN LOSS OF JOINT VENTURES | 052 | 0 | 0 | 13.000.000 | 13.000.000 |
| IX TOTAL INCOME (ADP 001+030+049 +050) | 053 | 3.818.000.000 | 3.818.000.000 | 3.920.000.000 | 3.920.000.000 |
| X TOTAL EXPENDITURE (ADP 007+041+051 + 052) | 054 | 4.795.000.000 | 4.795.000.000 | 3.911.000.000 | 3.911.000.000 |
| XI PRE-TAX PROFIT OR LOSS (ADP 053-054) | 055 | -977.000.000 | -977.000.000 | 9.000.000 | 9.000.000 |
| 1 Pre-tax profit (ADP 053-054) | 056 | 0 | 0 | 9.000.000 | 9.000.000 |

| | | | | | |
|---|------------|---------------------|---------------------|-------------------|-------------------|
| 2 Pre-tax loss (ADP 054-053) | 057 | -977.000.000 | -977.000.000 | 0 | 0 |
| XII INCOME TAX | 058 | -177.000.000 | -177.000.000 | 0 | 0 |
| XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059) | 059 | -800.000.000 | -800.000.000 | 9.000.000 | 9.000.000 |
| 1 Profit for the period (ADP 055-059) | 060 | 0 | 0 | 9.000.000 | 9.000.000 |
| 2 Loss for the period (ADP 059-055) | 061 | -800.000.000 | -800.000.000 | 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 063-064) | 062 | 0 | 0 | 0 | 0 |
| 1 Pre-tax profit from discontinued operations | 063 | 0 | 0 | 0 | 0 |
| 2 Pre-tax loss on discontinued operations | 064 | 0 | 0 | 0 | 0 |
| XV INCOME TAX OF DISCONTINUED OPERATIONS | 065 | 0 | 0 | 0 | 0 |
| 1 Discontinued operations profit for the period (ADP 062-065) | 066 | | | | |
| 2 Discontinued operations loss for the period (ADP 065-062) | 067 | | | | |
| TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations) | | | | | |
| XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062) | 068 | | | | |
| 1 Pre-tax profit (ADP 068) | 069 | 0 | 0 | 0 | 0 |
| 2 Pre-tax loss (ADP 068) | 070 | 0 | 0 | 0 | 0 |
| XVII INCOME TAX (ADP 058+065) | 071 | | | | |
| XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071) | 072 | | | | |
| 1 Profit for the period (ADP 068-071) | 073 | | | | |
| 2 Loss for the period (ADP 071-068) | 074 | | | | |
| 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 076+077) | 075 | 0 | 0 | 0 | 0 |
| 1 Attributable to owners of the parent | 076 | 0 | 0 | 0 | 0 |
| 2 Attributable to minority (non-controlling) interest | 077 | 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 | 078 | -800.000.000 | -800.000.000 | 9.000.000 | 9.000.000 |
| II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87) | 079 | 0 | 0 | 0 | 0 |
| III Items that will not be reclassified to profit or loss (ADP 081 to 085) | 080 | 0 | 0 | 0 | 0 |
| 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 |
| IV Items that may be reclassified to profit or loss (ADP 088 to 095) | 087 | -76.000.000 | -76.000.000 | 33.000.000 | 33.000.000 |
| 1 Exchange rate differences from translation of foreign operations | 088 | 22.000.000 | 22.000.000 | 28.000.000 | 28.000.000 |
| 2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income | 089 | -98.000.000 | -98.000.000 | 5.000.000 | 5.000.000 |
| 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 |
| V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096) | 097 | -76.000.000 | -76.000.000 | 33.000.000 | 33.000.000 |
| VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097) | 098 | -876.000.000 | -876.000.000 | 42.000.000 | 42.000.000 |
| 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 100+101) | 099 | 0 | 0 | 0 | 0 |
| 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 31.03.2021.

in HRK

| Submitter: INA - Industrija nafte d.d., Zagreb | | | |
|---|------------|----------------------------------|---------------------|
| Item | ADP code | Same period of the previous year | Current period |
| 1 | 2 | 3 | 4 |
| Cash flow from operating activities | | | |
| 1 Pre-tax profit | 001 | -977.000.000 | 9.000.000 |
| 2 Adjustments (ADP 003 to 010): | 002 | 601.000.000 | 514.000.000 |
| a) Depreciation | 003 | 384.000.000 | 381.000.000 |
| b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets | 004 | 138.000.000 | -7.000.000 |
| 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 | 0 | -3.000.000 |
| e) Interest expenses | 007 | 16.000.000 | 20.000.000 |
| f) Provisions | 008 | 6.000.000 | 34.000.000 |
| g) Exchange rate differences (unrealised) | 009 | 45.000.000 | 55.000.000 |
| h) Other adjustments for non-cash transactions and unrealised gains and losses | 010 | 12.000.000 | 34.000.000 |
| I Cash flow increase or decrease before changes in working capital (ADP 001+002) | 011 | -376.000.000 | 523.000.000 |
| 3 Changes in the working capital (ADP 013 to 016) | 012 | 279.000.000 | -752.000.000 |
| a) Increase or decrease in short-term liabilities | 013 | -345.000.000 | 1.616.000.000 |
| b) Increase or decrease in short-term receivables | 014 | 220.000.000 | -1.148.000.000 |
| c) Increase or decrease in inventories | 015 | 404.000.000 | -1.220.000.000 |
| d) Other increase or decrease in working capital | 016 | 0 | 0 |
| II Cash from operations (ADP 011+012) | 017 | -97.000.000 | -229.000.000 |
| 4 Interest paid | 018 | 0 | 0 |
| 5 Income tax paid | 019 | 0 | 0 |
| A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019) | 020 | -97.000.000 | -229.000.000 |
| Cash flow from investment activities | | | |
| 1 Cash receipts from sales of fixed tangible and intangible assets | 021 | 0 | 8.000.000 |
| 2 Cash receipts from sales of financial instruments | 022 | 18.000.000 | 5.000.000 |
| 3 Interest received | 023 | 6.000.000 | 14.000.000 |
| 4 Dividends received | 024 | 0 | 0 |
| 5 Cash receipts from repayment of loans and deposits | 025 | 0 | 0 |
| 6 Other cash receipts from investment activities | 026 | 33.000.000 | 14.000.000 |
| III Total cash receipts from investment activities (ADP 021 to 026) | 027 | 57.000.000 | 41.000.000 |
| 1 Cash payments for the purchase of fixed tangible and intangible assets | 028 | -187.000.000 | -253.000.000 |
| 2 Cash payments for the acquisition of financial instruments | 029 | 0 | 0 |
| 3 Cash payments for loans and deposits for the period | 030 | 0 | 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 | -187.000.000 | -253.000.000 |
| B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033) | 034 | -130.000.000 | -212.000.000 |
| 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 | 803.000.000 | 889.000.000 |
| 4 Other cash receipts from financing activities | 038 | 0 | 1.000.000 |
| V Total cash receipts from financing activities (ADP 035 to 038) | 039 | 803.000.000 | 890.000.000 |
| 1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments | 040 | 0 | 0 |
| 2 Cash payments for dividends | 041 | 0 | -585.000.000 |
| 3 Cash payments for finance lease | 042 | -24.000.000 | -12.000.000 |
| 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 | -4.000.000 | 0 |
| VI Total cash payments from financing activities (ADP 040 to 044) | 045 | -28.000.000 | -597.000.000 |
| C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045) | 046 | 775.000.000 | 293.000.000 |
| 1 Unrealised exchange rate differences in respect of cash and cash equivalents | 047 | 3.000.000 | 6.000.000 |
| D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047) | 048 | 551.000.000 | -142.000.000 |
| E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 049 | 502.000.000 | 351.000.000 |
| F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049) | 050 | 1.053.000.000 | 209.000.000 |

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: 31 March 2021

Notes to financial statements for quarterly periods include:

- 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)
- 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
- 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)
- 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)
- other comments prescribed by IAS 34 - Interim financial reporting
- 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, bank

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 529 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 31 March 2020.

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
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 Q1 2020, the average number of employees of the INA, d.d. was 3,348.

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 Q1 2021 INA, d.d. capitalised labour in amounts of HRK 7 million.

At 31 March 2021, the staff cost includes cost of net salaries in the amount of HRK 112 million, cost of tax in amount of HRK 48 million and contributions for pension and health insurance in the amount HRK 25 million, and other payroll related costs in the amount HRK 24 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 31 March 2021 compared to 31 December 2020 was decreased from HRK 1,053 million to HRK 1,054 million or by HRK 1 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

| 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, Egiptat, 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 31 December 2020.

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 | |
|--|--|--------------------------------------|---|------------------|
| | | | 31 March 2021 | 31 December 2020 |
| <i>Oilfield services</i> | | | | |
| CROSCO, naftni servisi d.o.o. | Oilfield services | Croatia | 100% | 100% |
| Crosco B.V. | Oilfield services | Netherland | 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% |
| Crosco 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

The company MOL Nyrt. (Hungary, Oktober 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

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 31 March 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 8,000,000 in Q1 2021 (Q1 2020: HRK 10,000,000) 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 31 March 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 31 March 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 24,000,000 in Q1 2020 and in amount of HRK 24,000,000 in Q1 2021.

Line Right-of-use asset in Flash Report of INA, d.d. for the period ended 31 March 2021 in amount of HRK 459,000,000 at 2020 at 31 December 2020 and HRK 473,000,000 at 31 March 2021 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 31 March 2021 (in 2020 HRK 352,000,000 and 2021 HRK 344,000,000) while in TFL_POB 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 31 March 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 203,000,000 at 31 March 2021.



**INA, D.D.
Q1 2021
FINANCIAL REPORT**

Zagreb, April 2021

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Management discussion and analysis

INA, d.d. financial results (IFRS)

| 2020 | HRK mln | Q1 2020 | Q1 2021 | % |
|---------------------------|---|--------------|------------|-------------|
| 13,758 | Net sales revenues* | 3,707 | 3,785 | 2 |
| 849 | EBITDA ⁽¹⁾ | (533) | 452 | n.a. |
| 849 | EBITDA excl. special items | (533) | 452 | n.a. |
| (1,114) | Profit/(loss) from operations | (917) | 71 | n.a. |
| (819) | Profit/(loss) from operations excl. special items ⁽²⁾ | (917) | 71 | n.a. |
| (27) | Net gain/(loss) from financial activities | (65) | (49) | (25) |
| (933) | Profit/(loss) for the period | (800) | 9 | n.a. |
| (638) | Profit/(loss) for the period excl. special items ⁽²⁾ | (800) | 9 | n.a. |
| 2,374 | Net cash inflow from operating activities | (97) | (229) | 136 |
| Earnings per share | | | | |
| (93.3) | Basic and diluted earnings/(loss) per share (HRK per share) | (80.0) | 0.9 | n.a. |
| 1,444 | Net debt | 2,651 | 2,552 | (4) |
| 12.3 | Net gearing (%) | 19.4 | 19.7 | |
| 1,239 | CAPEX | 187 | 227 | 21 |

| 2020 | USD mln ⁽³⁾ | Q1 2020 | Q1 2021 | % |
|---------------------------|---|--------------|-----------|-------------|
| 2,080 | Net sales revenues* | 546 | 603 | 10 |
| 128 | EBITDA ⁽¹⁾ | (79) | 72 | n.a. |
| 128 | EBITDA excl. special items | (79) | 72 | n.a. |
| (168) | Profit/(loss) from operations | (135) | 11 | n.a. |
| (124) | Profit/(loss) from operations excl. special items ⁽²⁾ | (135) | 11 | n.a. |
| (4) | Net income/(loss) from financial activities | (10) | (8) | (18) |
| (141) | Profit/(loss) for the period | (118) | 1 | n.a. |
| (96) | Profit/(loss) for the period excl. special items ⁽²⁾ | (118) | 1 | n.a. |
| 359 | Net cash inflow from operating activities | (14) | (37) | 155 |
| Earnings per share | | | | |
| (14.1) | Basic and diluted earnings/(loss) per share (USD per share) | (11.8) | 0.1 | n.a. |
| 235 | Net debt | 386 | 396 | 3 |
| 187 | CAPEX | 28 | 36 | 31 |

* Related to Revenue from contracts with customers

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

(2) 2020 result was negatively impacted by HRK (295) million of assets impairment

(3) In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q1 2020 – 6.7838 HRK/USD; Q1 2021 – 6.2739 HRK/USD; for Q1-Q4 2020 – 6.6141 HRK/USD; as at 31 December 2020 – 6.1390 HRK/USD; as at 31 March 2021 – 6.4487 HRK/USD

Financial and operational highlights

Beginning of 2021 was marked by a more favorable external environment compared to 2020, which was one of the most challenging years for oil & gas industry. Although world economy is still far from recovery and demand is limited, impact of gradual easing of COVID-19 restrictions is visible.

EBITDA reached HRK 452 million and Profit for the period amounted to HRK 9 million, in contrast with the losses in 2020 caused by a large drop in hydrocarbon prices and consequent negative inventory revaluation. Exploration and production benefited from the increased hydrocarbon prices but natural decline continued with production level below 28 th boe/d, 12% lower compared to Q1 2020. This drove the segment's EBITDA to HRK 401 million, 4% lower compared to Q1 2020. In Q1 2021, INA entered a new concession in Egypt, following efforts to partly compensate for the natural decline of production on domestic fields. Refining and Marketing incl. Consumer services and Retail reached EBITDA of HRK 137 million in Q1 2021. Despite the lower fuel demand, Retail contribution remained strong.

Investment activities were 21% higher compared to Q1 2020. Strategic investments continue with Rijeka Refinery Upgrade as main project while constant financial discipline throughout the crisis resulted in stable net debt of HRK 2,552 million.

Condensed non-consolidated Statement of Profit or Loss

For the period ended 31 March 2020 and 2021 (in HRK millions)

| 2020 | | Q1 2020 | Q1 2021 | % |
|---------------------------|---|----------------|----------------|-------------|
| 13,758 | Revenue from contracts with customers | 3,707 | 3,785 | 2 |
| 166 | Other operating income | 37 | 53 | 43 |
| 13,924 | Total operating income | 3,744 | 3,838 | 3 |
| (660) | Changes in inventories of finished products and work in progress | (532) | 562 | n.a. |
| (5,665) | Cost of raw materials and consumables | (1,229) | (979) | (20) |
| (1,963) | Depreciation, amortisation and impairment (net) | (384) | (381) | (1) |
| (1,772) | Other material costs* | (432) | (457) | 6 |
| (706) | Service costs* | (190) | (185) | (3) |
| (747) | Staff costs* | (195) | (189) | (3) |
| (3,344) | Cost of other goods sold | (1,558) | (2,115) | 36 |
| (80) | Impairment charges (net) | (140) | 6 | n.a. |
| (129) | Provision for charges and risks (net)* | (11) | (37) | 236 |
| 28 | Capitalised value of own performance | 10 | 8 | (20) |
| (15,038) | Total operating expenses | (4,661) | (3,767) | (19) |
| (1,114) | Profit/(loss) from operations | (917) | 71 | n.a. |
| 175 | Finance income | 59 | 74 | 25 |
| (202) | Finance costs | (124) | (123) | (1) |
| (27) | Net income/(loss) from financial activities | (65) | (49) | (25) |
| 94 | Share of profit/(loss) of joint ventures accounted for using the equity method | 5 | (13) | n.a. |
| (1,047) | Profit/(loss) before tax | (977) | 9 | n.a. |
| 114 | Income tax benefit/(expense) | 177 | - | n.a. |
| (933) | Profit/(loss) for the period | (800) | 9 | n.a. |
| Earnings per share | | | | |
| (93.3) | Basic and diluted earnings/(loss) per share (HRK per share) | (80.0) | 0.9 | n.a. |

* Restatement of comparable previous periods was made – see on page 8

Condensed non-consolidated Statement of Financial Position

At 31 December 2020 and 31 March 2021 (in HRK millions)

| | 31 December 2020 | 31 March 2021 | % |
|--|------------------|---------------|------------|
| Assets | | | |
| Non-current assets | | | |
| Intangible assets | 415 | 452 | 9 |
| Property, plant and equipment | 10,417 | 10,308 | (1) |
| Right-of-use asset | 473 | 459 | (3) |
| Investment in subsidiaries | 1,827 | 1,823 | (0) |
| Investments in associates and joint venture | 254 | 242 | (5) |
| Other investments | 767 | 773 | 1 |
| Long-term receivables | 850 | 883 | 4 |
| Deferred tax assets | 1,054 | 1,053 | (0) |
| Marketable securities | - | - | n.a. |
| Non-current financial assets | 560 | 567 | 1 |
| Total non-current assets | 16,617 | 16,560 | (0) |
| Current assets | | | |
| Inventories | 1,399 | 2,569 | 84 |
| Intercompany receivables | 173 | 225 | 30 |
| Trade receivables (net) | 866 | 1,890 | 118 |
| Other receivables | 155 | 127 | (18) |
| Other current assets | 98 | 159 | 62 |
| Marketable securities | 78 | - | n.a. |
| Cash and cash equivalents | 351 | 209 | (40) |
| Current assets | 3,120 | 5,179 | 66 |
| Assets classified as held for sale | 7 | - | n.a. |
| Total current assets | 3,127 | 5,179 | 66 |
| Total assets | 19,744 | 21,739 | 10 |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital | 9,000 | 9,000 | - |
| Legal reserves | 199 | 199 | - |
| Fair value reserves | 202 | 207 | 2 |
| Other reserves | 1,171 | 1,199 | 2 |
| Retained earnings/(accumulated losses) | (241) | (232) | (4) |
| Total equity | 10,331 | 10,373 | 0 |
| Non-current liabilities | | | |
| Long-term loans | - | 194 | n.a. |
| Long-term lease liabilities | 379 | 364 | (4) |
| Other non-current liabilities | 33 | 32 | (3) |
| Employee benefit obligation | 17 | 17 | (0) |
| Provisions | 3,862 | 3,884 | 1 |
| Total non-current liabilities | 4,291 | 4,491 | 5 |
| Current liabilities | | | |
| Bank loans | 1,873 | 2,567 | 37 |
| Current portion of long-term lease liabilities | 100 | 102 | 2 |
| Intercompany payables | 346 | 343 | (1) |
| Trade payables | 1,104 | 2,536 | 130 |
| Taxes and contributions | 554 | 702 | 27 |
| Other current liabilities | 965 | 422 | (56) |
| Employee benefit obligation | 2 | 2 | - |
| Provisions | 178 | 201 | 13 |
| Total current liabilities | 5,122 | 6,875 | 34 |
| Total liabilities | 9,413 | 11,366 | 21 |
| Total equity and liabilities | 19,744 | 21,739 | 10 |

Condensed non-consolidated Cash Flow Statement (Indirect method)

For the period ended 31 March 2020 and 2021 (in HRK millions)

| 2020 | Q1 2020 | Q1 2021 | % |
|---|--------------|--------------|-------------|
| (933) Profit/(loss) for the period | (800) | 9 | n.a. |
| Adjustments for: | | | |
| 1,963 Depreciation, amortisation and impairment of property, plant and equipment and ROU asset (net) | 384 | 381 | (1) |
| (114) Income tax (benefit)/expense recognised in profit and loss | (177) | - | n.a. |
| 80 Impairment charges (net) | 140 | (6) | n.a. |
| (10) (Gain)/loss on sale of property, plant and equipment | (2) | (1) | (50) |
| 21 Foreign exchange (gain)/(loss) | 45 | 55 | 22 |
| (38) Interest (income)/expense (net) | 2 | (3) | n.a. |
| (94) Share of (profit)/loss of joint ventures accounted for using the equity method | (5) | 13 | n.a. |
| (15) Other finance loss/(gain) recognised in profit and loss | 8 | (23) | n.a. |
| (17) Increase/(decrease) in provisions | 6 | 34 | 467 |
| 58 Decommissioning interests and other provision | 14 | 20 | 43 |
| 242 Net loss/(gain) on derivative financial instruments | 9 | 45 | 400 |
| (5) Other non-cash items | - | (1) | n.a. |
| 1,138 Operating cash flow before movements in working capital | (376) | 523 | n.a. |
| Movements in working capital | | | |
| 376 (Increase)/decrease in inventories | 404 | (1,220) | n.a. |
| 735 (Increase)/decrease in receivables and prepayments | 220 | (1,148) | n.a. |
| 128 Increase/(decrease) in trade and other payables | (345) | 1,616 | n.a. |
| 2,377 Cash generated from operations | (97) | (229) | 136 |
| (3) Taxes paid | - | - | n.a. |
| 2,374 Net cash inflow from operating activities | (97) | (229) | 136 |
| Cash flows used in investing activities | | | |
| (1,189) Capital expenditures, exploration and development costs | (184) | (248) | 35 |
| (71) Payment for intangible assets | (3) | (5) | 67 |
| 16 Proceeds from sale of non-current assets | - | 8 | n.a. |
| 39 Investment in securities | 18 | 5 | (72) |
| 9 Dividends received from companies classified as non-current financial assets and from other companies | - | - | n.a. |
| 61 Interest received and other financial income | 6 | 14 | 133 |
| (19) Loans and other investments (net) | 33 | 14 | (58) |
| (1,154) Net cash (used in)/generated from investing activities | (130) | (212) | 63 |
| Cash flows from financing activities | | | |
| (332) Change in long-term borrowings (net) | 309 | 190 | (39) |
| (783) Change in short-term borrowings (net) | 494 | 699 | 41 |
| (96) Change of principal portion of lease liabilities | (24) | (12) | (50) |
| (38) Dividends paid | - | (585) | n.a. |
| (97) Interest paid on short term loans and other interest charges | (4) | 1 | n.a. |
| (1,346) Cash flows from financing activities | 775 | 293 | (62) |
| (126) Net increase/(decrease) in cash and cash equivalents | 548 | (148) | n.a. |
| 502 At 1 January | 502 | 351 | (30) |
| (25) Effect of foreign exchange rate changes | 3 | 6 | 100 |
| 351 At the end of period | 1,053 | 209 | (80) |
| - Overdrafts | 15 | - | n.a. |
| 351 Cash and cash equivalents in statement of financial position | 1,068 | 209 | (80) |



INA, d.d. Summary Segmental Results of Operations

| 2020 | HRK mln | Q1 2020 | Q1 2021 | % |
|--|---|---------------|---------------|-------------|
| Net sales revenues | | | | |
| 2,147 | Exploration and Production | 806 | 688 | (15) |
| 13,533 | Refining and Marketing including Consumer services and Retail | 3,636 | 3,723 | 2 |
| 336 | Corporate and Other | 81 | 84 | 4 |
| (2,258) | Intersegment transfers and consolidation adjustments | (816) | (710) | (13) |
| 13,758 | Total | 3,707 | 3,785 | 2 |
| EBITDA* | | | | |
| 998 | Exploration and Production | 419 | 401 | (4) |
| (266) | Refining and Marketing including Consumer services and Retail | (980) | 137 | n.a. |
| (94) | Corporate and Other | (32) | (27) | (16) |
| 211 | Intersegment transfers and consolidation adjustments | 60 | (59) | n.a. |
| 849 | Total | (533) | 452 | n.a. |
| EBITDA excluding Special Items | | | | |
| 998 | Exploration and Production | 419 | 401 | (4) |
| (266) | Refining and Marketing including Consumer services and Retail | (980) | 137 | n.a. |
| (94) | Corporate and Other | (32) | (27) | (16) |
| 211 | Intersegment transfers and consolidation adjustments | 60 | (59) | n.a. |
| 849 | Total | (533) | 452 | n.a. |
| Profit/(Loss) from operations | | | | |
| 195 | Exploration and Production | 249 | 218 | (12) |
| (1,318) | Refining and Marketing including Consumer services and Retail | (1,168) | (34) | (97) |
| (202) | Corporate and Other | (58) | (54) | (7) |
| 211 | Intersegment transfers and consolidation adjustments | 60 | (59) | n.a. |
| (1,114) | Total | (917) | 71 | n.a. |
| Profit/(Loss) from operations excluding Special Items | | | | |
| 195 | Exploration and Production | 249 | 218 | (12) |
| (1,023) | Refining and Marketing including Consumer services and Retail | (1,168) | (34) | (97) |
| (202) | Corporate and Other | (58) | (54) | (7) |
| 211 | Intersegment transfers and consolidation adjustments | 60 | (59) | n.a. |
| (819) | Total | (917) | 71 | n.a. |
| Property, plant and equipment | | | | |
| 4,515 | Exploration and Production | 4,729 | 4,429 | (6) |
| 5,633 | Refining and Marketing including Consumer services and Retail | 5,763 | 5,606 | (3) |
| 269 | Corporate and Other | 323 | 273 | (15) |
| - | Intersegment transfers and consolidation adjustments | - | - | n.a. |
| 10,417 | Total | 10,815 | 10,308 | (5) |

*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 Q1 2021 amounted to HRK 3,785 million and is above the Q1 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 (979) million were 20% lower than Q1 2020 level, reflecting different dynamic of refinery operations.

Other **operating costs** realized in Q1 2021 include:

- Other material costs in the amount of HRK (457) million were higher by 6% mainly driven by geological service costs
- Service costs in the amount of HRK (185) million were 3% lower mainly due to lower intellectual services than in Q1 2020
- Depreciation, amortisation and impairment (net) in the amount of HRK (381) million were 1% lower compared to Q1 2020
- In Q1 2021, impairment charges had a positive effect in the amount of HRK 6 million compared to HRK (140) million negative effect in Q1 2020
- Provision for charges and risk (net) in the amount of HRK (37) million were higher compared to HRK (11) million in Q1 2020.

Staff costs in the amount HRK (189) million were 3% lower compared to Q1 2020.

Costs of other goods sold in Q1 2021 increased by 36% compared to Q1 2020 and amounted to HRK (2,115) million resulting from higher import and prices increase.

Net result from financial activities in Q1 2021 is negative in the amount of HRK (49) million and 25% lower compared to HRK (65) million of net financial loss in Q1 2020.

Income tax impact in Q1 2021 was neutral compared to HRK 177 million income tax benefit in Q1 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 31 March 2020 and 2021.

Condensed non-consolidated Statement of Financial Position

Total assets of INA d.d., as at 31 March 2021 amounted to HRK 21,739 million and are 10% higher compared to 31 December 2020.

Property, plant and equipment amounted to HRK 10,308 million and were 1% lower than 31 December 2020.

Trade receivables, net increased to HRK 1,890 million compared to HRK 866 million on 31 December 2020, mainly due to higher sales and improving price environment.

Total liabilities amounted to HRK 11,366 million and were 21% higher compared to 31 December 2020.

INA, d.d. **net debt** amounted to HRK 2,552 million and increased compared to 31 December 2020. **Net gearing** increased from 12,3% as at 31 December 2020, to 19,7% as at 31 March 2021.

Trade payables increased from HRK 1,104 million at 31 December 2020 to HRK 2,536 million at 31 March 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 523 million in Q1 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 (752) million, primarily due to:

- Increase in value of inventories in the amount of HRK (1,220) million mainly related to higher prices together with higher crude oil and finished products inventories
- Increase in receivables and prepayments in the amount of HRK (1,148) million mainly related to higher sales volumes and prices
- Increase in trade and other payables in the amount of HRK 1,616 million.

INA d.d. generated HRK (229) million net cash outflow from operating activities in Q1 2021 compared to HRK (97) million outflow in Q1 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 28 million in period Q1-Q4 2020. Additionally, utilization of provisions in amount of HRK 140 million in Q1-Q4 2020 was reclassified to the same line as realized costs (HRK 62 million in Other material cost, HRK 22 million in Service costs and HRK 56 million in Staff costs).

Special items in operating profit and EBITDA (in HRK millions)

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 2020, the result was negatively impacted by impairment of unused assets in Sisak Refinery in the amount of HRK (295) million, due to the concentration of refining operations in Rijeka refinery.

In Q1 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 |
|---|---------------|----------------|---------------------|----------------|--|---------------|
| Balance at 1 January 2020 | 9,000 | 166 | 241 | 1,214 | 1,273 | 11,894 |
| Profit/(loss) for the period | - | - | - | - | (800) | (800) |
| Other comprehensive gain, net | - | - | (98) | 22 | - | (76) |
| Total comprehensive income/(loss) for the period | - | - | (98) | 22 | (800) | (876) |
| Balance at 31 March 2020 | 9,000 | 166 | 143 | 1,236 | 473 | 11,018 |
| Balance at 1 January 2021 | 9,000 | 199 | 202 | 1,171 | (241) | 10,331 |
| Profit/(loss) for the period | - | - | - | - | 9 | 9 |
| Other comprehensive loss, net | - | - | 5 | 28 | - | 33 |
| Total comprehensive income/(loss) for the period | - | - | 5 | 28 | 9 | 42 |
| Balance at 31 March 2021 | 9,000 | 199 | 207 | 1,199 | (232) | 10,373 |

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. and the INA, d.d. companies and other related parties during Q1 2021 are disclosed below:

| INA, d.d. | Sales of goods and services | Purchase of goods and services |
|---|-----------------------------------|---------------------------------|
| HRK mln | Q1 2021 | Q1 2021 |
| Related companies | | |
| Holdina d.o.o. Sarajevo | 403 | - |
| INA Crna Gora d.o.o. Podgorica | 63 | - |
| INA Slovenija d.o.o. Ljubljana | 25 | - |
| STSI, Integrirani tehnički servisi d.o.o. | 6 | 77 |
| Plavi tim d.o.o. | 3 | 23 |
| CROSCO, naftni servisi d.o.o. | 3 | 42 |
| INA Maloprodajni servisi d.o.o. | 2 | 78 |
| INA MAZIVA d.o.o. | 1 | 13 |
| Top Računovodstvo Servisi d.o.o. | 1 | 10 |
| INA Vatrogasni Servisi d.o.o. | 1 | 19 |
| Adriagas S.r.l. Milano | - | 1 |
| Share in company as non-current financial assets | | |
| JANAF d.d. Zagreb | - | 10 |
| Strategic partner | | |
| MOL Nyrt. | 324 | 274 |
| Companies controlled by strategic partner | | |
| Tifon d.o.o. | 108 | 2 |
| MOL Petrochemicals Co. Ltd. | 9 | 4 |
| MOL Commodity Trading Kft. | - | 12 |
| MOL Slovenija d.o.o. | 6 | - |
| SLOVNAFT, a.s. | - | 22 |
| IES - Italiana Energia e Servizi S.p.A | - | 1 |
| MOL Azerbaijan Ltd. | - | 286 |
| INA, d.d. | Amounts owed from related parties | Amounts owed to related parties |
| HRK mln | 31 March 2021 | 31 March 2021 |
| Related companies | | |
| Holdina d.o.o. Sarajevo | 155 | - |
| INA Crna Gora d.o.o. Podgorica | 42 | - |
| INA Slovenija d.o.o. Ljubljana | 10 | - |
| STSI, Integrirani tehnički servisi d.o.o. | 5 | 51 |
| CROSCO, naftni servisi d.o.o. | 2 | 28 |
| Plavi tim d.o.o. | 4 | 29 |
| INA MAZIVA d.o.o. | 2 | 9 |
| INA Maloprodajni servisi d.o.o. | 1 | 30 |
| Top Računovodstvo Servisi d.o.o. | 1 | 5 |
| INA Vatrogasni Servisi d.o.o. | - | 9 |
| Share in company as non-current financial assets | | |
| JANAF d.d. Zagreb | - | 5 |
| Strategic partner | | |
| MOL Nyrt. | 131 | 123 |
| Companies controlled by strategic partner | | |
| MOL Commodity Trading Kft. | 108 | 125 |
| Tifon d.o.o. | 70 | 2 |
| MOL Petrochemicals Co. Ltd. | 7 | 3 |
| MOL Slovenija d.o.o. | 2 | 1 |
| SLOVNAFT, a.s. | - | 9 |
| IES - Italiana Energia e Servizi S.p.A | - | 1 |
| MOL Azerbaijan Ltd. | - | 290 |

Management representation

INA, d.d. non-consolidated financial statements for Q1 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.

A meeting of INA Supervisory Board was held on 29 January 2021 to appoint new members of the company's Management Board. New members of the INA Management Board are Ferenc Horváth and József Simola. They were appointed starting from February 1, 2021, until March 31, 2024.

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