



**INA GROUP
Q1 2024
FINANCIAL REPORT**

Zagreb, April 2024

INA Group (ZB: INA-R-A; www.ina.hr) announced its Q1 2024 results. This report contains unaudited consolidated financial statements for the period ending 31 March 2024 as prepared by the Management in accordance with the International Financial Reporting Standards.

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Management discussion and analysis: INA Group financial results (IFRS)

2023	EUR mn	Q1 2023	Q1 2024	%
3,896.3	Net sales revenues*	760.8	801.8	5
523.0	EBITDA (1)	37.0	60.0	62
500.3	EBITDA excl. special items (2)	37.0	60.0	62
496.0	CCS EBITDA excl. special items	23.2	63.7	174
330.4	Profit/(loss) from operations	(6.7)	20.2	n.a.
307.7	Profit/(loss) from operations excl. special items (2)	(6.7)	20.2	n.a.
303.4	CCS Profit/(loss) from operations excl. special items	(20.5)	23.9	n.a.
(31.9)	Net (loss)/income from financial activities	(10.3)	(7.0)	(32)
250.0	Profit/(loss) for the period attributable to Owners of the Company	(14.2)	11.9	n.a.
227.3	Profit/(loss) for the period excl. special items (2)	(14.2)	11.9	n.a.
185.0	Simplified Free Cash Flow (3)	(28.8)	(37.8)	31
443.7	Net operating cash flow	(11.7)	(86.2)	637
Earnings per share				
25.0	Basic and diluted earnings/(loss) per share (EUR per share)	(1.4)	1.2	n.a.
215.7	Net debt	165.0	424.7	157
11.6	Net gearing (%)	9.5	20.4	
311.0	CAPEX total	52.1	101.4	95
293.5	Domestic	49.5	98.8	100
17.5	International	2.5	2.7	6

2023	USD mn ⁽⁴⁾	Q1 2023	Q1 2024	%
4,213.1	Net sales revenues*	816.3	870.6	7
565.5	EBITDA (1)	39.7	65.1	64
541.0	EBITDA excl. special items (2)	39.7	65.1	64
536.3	CCS EBITDA excl. special items	24.9	69.1	177
357.3	Profit/(loss) from operations	(7.2)	21.9	n.a.
332.7	Profit/(loss) from operations excl. special items (2)	(7.2)	21.9	n.a.
328.0	CCS Profit/(loss) from operations excl. special items	(21.9)	25.9	n.a.
(34.5)	Net (loss)/income from financial activities	(11.1)	(7.6)	(31)
270.3	Profit/(loss) for the period attributable to Owners of the Company	(15.2)	12.9	n.a.
245.8	Profit/(loss) for the period excl. special items (2)	(15.2)	12.9	n.a.
200.0	Simplified Free Cash Flow (3)	(30.9)	(41.0)	33
479.8	Net operating cash flow	(12.6)	(93.6)	646
Earnings per share				
27.1	Basic and diluted earnings/(loss) per share (USD per share)	(1.5)	1.3	n.a.
238.3	Net debt	179.6	459.1	156
336.3	CAPEX total	55.8	110.2	97
317.4	Domestic	53.1	107.3	102
18.9	International	2.7	2.9	7

* Related to Revenue from contracts with customers

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

⁽²⁾ In 2023 result was impacted by revision of decommission related cost in the amount of EUR 22.7 million, while in Q1 2023 and Q1 2024 there were no special items impacting the result

⁽³⁾ Simplified free cash flow = CCS EBITDA excluding special items – CAPEX

⁽⁴⁾ In converting EUR figures into US Dollars, the following average CNB (HNB) rates were used: as at 31 December 2023 - 1.1050 EUR/USD; as at 31 March 2024 - 1.0811 EUR/USD; for Q1 2023 - 1.0730 EUR/USD; for Q1 2024 - 1.0858 EUR/USD; for Q2 2023 - 1.0730 EUR/USD; for Q3 2023 - 1.0884 EUR/USD; for Q4 2023 - 1.0751 EUR/USD

Q1 2024 financial and operational highlights

After turbulent 2022 and 2023, beginning of 2024 shows a more stable external environment on oil & gas markets. INA result in Q1 2024 was stronger primarily due to better wholesale margins that, together with higher Retails sales, allowed for stronger overall result. CCS EBITDA excl. special items of INA Group amounted to EUR 64 million in Q1 2024, with net profit turning positive compared to Q1 2023 and amounting EUR 12 million. These figures also show the annual seasonality where Q1 usually doesn't contribute equally to the overall full year results compared to other quarters.

Exploration and Production EBITDA was lower following the lower gas price and natural decline of production, EUR 74 million in Q1 2024. Production was lower by 8% yoy in line with the natural production decline, water cuts on main gas fields and impact of Angola assets divested in Q2 2023, although the Egyptian production increased driven by new concession East Damanhur.

Refining and Marketing incl. Consumer services and Retail segment result improved mainly due to the mentioned market trends and better wholesale margins. Following planned turnaround market was supplied via imports and the overall sales increased 9%. Consumer Services and Retail sales volumes increased by 13% compared to the Q1 2023, mainly with higher realization on domestic market and positive market trends. Apart from the fuel sales, non-fuel margin continued to grow with 44% margin increase. Simplified Free Cash Flow of the segment stayed negative at EUR (68) million in Q1 2024, in line with the strong investment spending of EUR 84 million just in Q1 2024.

Overall capital expenditures amounted to EUR 101 million, roughly doubled compared to Q1 2023, with the Refining contributing the most to investments. Rijeka Refinery successfully went through a turnaround while Rijeka Refinery Upgrade Project reached 87% total completion, with other efficiency investment projects on track. Financial position remains stable with net debt at EUR 425 million and 20% gearing ratio.



President of the Management Board comment

Ms. Zsuzsanna Ortutay, President of the Management Board comments on the results:

“Beginning of 2024, following the previous two years turmoil, shows generally good environment with the stable oil prices but the gas prices decreased significantly compared to previous period resulting in CCS EBITDA excl. special items of EUR 64 million in Q1.

Exploration and Production, combating with the expected natural decline of our portfolio, continue with new projects. On top of the new concession in Egypt, 40% of working interest in the SA-07 Croatian onshore block was acquired. Additionally, preparatory activities for INA’s first two geothermal blocks are ongoing.

Rijeka Refinery underwent the planned turnaround, during which safe and uninterrupted supply was ensured via imports. Overall Refining and Marketing sales increased in a period of favourable margins, which together with strong Retail sales turned the segments’ result positive.

Following the two solar power plants (Virje in production and Sisak in test run mode production), INA is expanding its renewable energy portfolio. Apart from preparation of additional projects for solar power plants at its locations, INA signed two contracts in sustainability area – one connected with construction of a green hydrogen plant at the Rijeka Refinery, and another one connected with a biomethane production facility in Sisak. The projects will contribute to the company’s green transition efforts, while INA will become the first producer of commercial green hydrogen in Croatia.

The funds needed for the green transformation have to be generated in INA’s core business segments, therefore it is important to keep the operations efficient and profitable. Of course, within our green transition efforts, we will also count on the co-financing from EU funds. With the usual seasonal nature of sales, the following quarters are expected to further strengthen INA’s results.”

Exploration and Production*

2023	Segment IFRS results (EUR mn)	Q1 2023	Q1 2024	%
582.3	Net sales revenues	153.5	122.8	(20)
412.8	EBITDA	98.2	73.4	(25)
390.1	EBITDA excl. special items **	98.2	73.4	(25)
323.1	Profit from operations	80.0	60.1	(25)
300.4	Profit from operation excl. special items **	80.0	60.1	(25)
289.9	Simplified Free Cash Flow***	85.8	55.2	(36)
100.2	CAPEX	12.4	18.2	48

* Exploration and Production refers to the Upstream of INA, d.d. and following subsidiary: Adriagas S.r.l. Milano

** In 2023 result was impacted by revision of decommission related cost in the amount of EUR 22.7 million, while in Q1 2023 and Q1 2024 there were no special items impacting the result

*** Simplified free cash flow = EBITDA excluding special items – CAPEX

2023	Hydrocarbon production (boe/d)	Q1 2023	Q1 2024	%
11,602	Crude oil production (boe/d)	12,150	10,951	(10)
9,676	Croatia	9,925	9,253	(7)
1,746	Egypt	1,708	1,698	(1)
180	Angola	517	-	n.a.
11,987	Natural gas production (boe/d)	12,558	11,775	(6)
3,372	Croatia - offshore	3,529	2,990	(15)
8,563	Croatia - onshore	9,029	8,588	(5)
52	Egypt	-	198	n.a.
814	Condensate (boe/d)	921	734	(20)
812	Croatia	921	728	(21)
1	Egypt	-	6	n.a.
24,403	Total hydrocarbon production	25,629	23,461	(8)

2023	Total average realised hydrocarbon price	Q1 2023	Q1 2024	%
74	Total average hydrocarbon price (USD/boe)*	76	65	(14)

* Calculated based on total sales revenue including natural gas internal selling price as well

Q1 2024 vs. Q1 2023

Key drivers

- Lower prices, primarily gas prices, impacted sales revenues negatively by EUR 19.1 million
- Negative effect caused by increased water cut and natural decline on main gas and oil fields partially mitigated by better well performance after successfully performed well workovers on field Žutica and production optimization on several fields onshore
- International production higher driven by contribution from new Egypt concession East Damanhur
- Government approved relinquishment of SZH-01 block

Capital expenditures

Q1 2024 (EUR mn)	Croatia	Egypt
Exploration	4.2	-
Development	4.2	2.5
Other	7.3	-
TOTAL	15.7	2.5

Higher CAPEX level compared to Q1 2023 due to higher Croatia onshore activities.

Main activities during Q1 2024 were related to:

Croatia Exploration:

- Block Sava-07: Acquisition of 40% of non-operated Working interest in the SA-07 Expl.Block; Drilling of Zbjegovača-1 and Međurić-1 wells completed, Drilling of Piljenice-1 well ongoing
- Drava-03: V.Rastovac-2 Du well and Obradovci-5 well; ongoing permitting activities

Croatia Geothermal:

- Preparatory activities for 3D seismic and drilling of 4 wells ongoing in exploration areas „Lešćan” and „Međimurje 5”;

Croatia Development:

- Production optimization: 9 well workovers performed

Egypt:

- Ras Qattara: Drilling of 2 development wells
- East Bir El Nus: preparation for seismic acquisition

Refining and Marketing, including Consumer Services and Retail*

2023	Segment IFRS results (EUR mn)	Q1 2023	Q1 2024	%
3,821.4	Net sales revenues	745.9	778.4	4
93.0	EBITDA	(26.9)	12.3	n.a.
93.0	EBITDA excl. special items**	(26.9)	12.3	n.a.
88.7	CCS EBITDA excl. special items**	(40.7)	16.0	n.a.
7.4	Profit/(loss) from operations	(46.9)	(9.1)	(81)
7.4	Profit/(loss) from operations excl. special items**	(46.9)	(9.1)	(81)
3.1	CCS Profit/(loss) from operations	(60.7)	(5.4)	(91)
(102.9)	Simplified Free Cash Flow***	(79.4)	(67.9)	(14)
191.6	CAPEX	38.7	83.9	117

* Refers to Refining and Marketing including Consumer Services and Retail INA d.d. and the following subsidiaries: INA Maziva d.o.o., INA Slovenija d.o.o., HoldINA d.o.o. Sarajevo, INA Crna Gora d.o.o., INA d.o.o. Beograd, INA Kosovo d.o.o., Energopetrol d.d., INA MALOPRODAJNI SERVISI d.o.o., Croplin d.o.o.

** In Q1 2024 and in 2023 there were no special items impacting the result

*** Simplified free cash flow = CCS EBITDA excluding special items – CAPEX

2023	Refining processing (kt)	Q1 2023	Q1 2024	%
305	Domestic crude oil	-	-	n.a.
1,350	Imported crude oil	-	-	n.a.
654	Other feedstock	31	26	(15)
2,309	Total refining throughput	31	26	(15)
	Refining production (kt)			
130	LPG*	-	-	n.a.
123	Naphtha	-	1	n.a.
532	Gasoline	6	7	19
172	Kerosene	-	-	n.a.
867	Diesel	1	-	n.a.
-	Heating oil	-	-	n.a.
176	Fuel oil	13	4	(67)
71	Other products**	3	8	226
2,070	Total	23	21	(10)
38	Refining loss	1	1	4
202	Own consumption	7	5	(34)
2,309	Total refining production	31	26	(15)
	Refined product sales by country (kt)			
2,471	Croatia	460	515	12
569	B&H	128	128	(0)
30	Slovenia	9	7	(26)
19	Italy	3	4	15
929	Other markets	114	124	9
4,019	Total	715	778	9
	Refined product sales by product (kt)			
186	LPG*	34	30	(11)
122	Naphtha	1	6	774
699	Gasoline	99	143	45
200	Kerosene	20	22	12
2,064	Diesel	426	448	5
123	Heating oil	39	33	(15)
187	Fuel oil	25	14	(45)
88	Bitumen	14	15	11
351	Other products***	58	65	12
4,019	Total	715	778	9
1,401	o/w Consumer services and Retail segment sales	263	298	13
5,828	Total natural gas sales (GWh)	1,788	1,612	(10)
506	Total number of service stations	507	509	0

*LPG+propylene

**Other products = Benzene concentrate, liquid sulphur, coke, motor oils, industrial lubricants, other intermediates

***Other = Benzene concentrate, vacuum gas oil, liquid sulphur, coke, crude oil, motor oils, industrial lubricants

Q1 2024 vs. Q1 2023

Key drivers

- Operation in import mode during Q1 2024 with turnaround activities and additional efficiency improvements and investment activities related to Rijeka Refinery Upgrade Project
- Market was safely supplied via import until own refined products availability, with higher sales on captive market
- Wholesale margins in contango environment and gas trading performance supported improved CCS result in Q1 2024 compared to Q1 2023
- Total Consumer Services and Retail sales volumes amounted to 298 kt in Q1 2024 which is 13% above same period last year driven by higher realisation on Croatian market (+29 kt) mainly as a result of positive market trends
- Non-fuel margin increased by 44% reflecting continuous expansion in consumer goods, increasing number of Fresh Corners together with INA Loyalty program support which reached over 620 thousand registered members

Capital expenditures

- Refining and Marketing CAPEX amounted to EUR 82.9 million:
 - **Rijeka Refinery Upgrade Project** - The Project achieved 87% completion overall with active works on civil and piping activities, on delayed coker unit mechanical works on the furnace are completed while HCU catalyst replacement was successfully finished. Interconnecting to the 35kV electrical network is finished and use permits obtained
 - **CDU energy efficiency upgrade project** - revamp of Crude Distillation Unit to increase energy efficiency and improve liquefied petroleum gas recovery system. All works are completed
 - **Replacement of condensing turbines with electric drives** – aims to increase energy efficiency. Project on track - main equipment installed, works completed, functional testing in progress
 - **Revitalization of LPG spherical tank 336-SE-023** – aimed to improve operations of LPG storage area. Project on track - welding completed
- Consumer Services and Retail capital investments amounted to one million EUR in Q1 2024 related to finalization of growth projects (rent and KDR) and additional Fresh corner implementation. Network currently consists of 509 stations (of which 393 in Croatia)

Main external parameters

2023	Crude oil and gas prices	Q1 2023	Q1 2024	%
83	Brent dtd (USD/bbl)	81	83	3
18	Brent-Ural spread (USD/bbl)	30	12	(60)
3.9	(Azeri-Brent) spread (USD/bbl)	3.5	4.1	18
42	CEGH gas price (EUR/MWh)	56	28	(49)
FOB MED Products prices and crack spreads				
843	Gasoline - premium unleaded 10 ppm (USD/t)	837	828	(1)
815	Diesel – ULSD 10 ppm (USD/t)	833	817	(2)
427	Fuel oil 3.5% (USD/t)	359	434	21
613	LPG (USD/t)	750	606	(19)
218	Crack spread – gasoline (USD/t)	223	199	(11)
190	Crack spread – diesel (USD/t)	219	188	(14)
(198)	Crack spread – fuel oil 3.5% (USD/t)	(255)	(195)	(24)
(12)	Crack spread – LPG (USD/t)	136	(23)	n.a.
6.38	Indicative refining margins (USD/bbl)*	6.17	8.19	33
Foreign exchange				
1.08	EUR/USD average	1.07	1.09	2
1.11	EUR/USD closing	1.09	1.08	(1)
5.17	3m Term SOFR average (%)	4.79	5.32	11
3.43	3m EURIBOR (%) average	2.64	3.92	49

* Indicative refinery margin calculation revised in 2024 with updated natural gas and CO2 inputs.

Condensed Consolidated Statement of Profit or Loss

For the period ended 31 March 2023 and 2024 (in EUR millions)

2023	Note	Q1 2023	Q1 2024	%
3,896.3				
Revenue from contracts with customers	1	760.8	801.8	5
74.3		14.9	6.4	(57)
3,970.6		775.7	808.2	4
Total operating income				
(20.4)		(22.8)	(29.2)	28
(1,291.2)		(38.0)	(36.0)	(5)
Costs of raw materials and consumables	2			
(192.6)		(43.7)	(39.8)	(9)
Depreciation, amortisation and impairment (net)	3			
(220.6)		(51.7)	(71.4)	38
Other material costs	3			
(74.0)		(16.4)	(16.9)	3
Service costs	3			
(255.3)		(60.3)	(67.1)	11
Staff costs	5			
(1,584.8)		(553.0)	(542.8)	(2)
Costs of other goods sold	4			
(14.8)		(4.6)	(0.5)	(89)
Impairment charges (net)	3			
(44.5)		(3.1)	(1.0)	(68)
Provision for charges and risks (net)	3			
58.0		11.2	16.7	49
Capitalised value of own performance				
(3,640.2)		(782.4)	(788.0)	1
Operating expenses				
330.4		(6.7)	20.2	n.a.
Profit/(Loss) from operations				
21.4		4.7	5.1	9
Finance income				
(53.3)		(15.0)	(12.1)	(19)
Finance costs				
(31.9)		(10.3)	(7.0)	(32)
Net (loss)/income from financial activities	6			
Share of net profit/(loss) of joint ventures accounted for using the equity method	6	-	0.9	n.a.
6.7				
Profit/(Loss) before tax		(17.0)	14.1	n.a.
305.2				
(54.9)		2.8	(2.2)	n.a.
Income tax gain/(expense)	7			
250.3		(14.2)	11.9	n.a.
Profit/(Loss) for the period				
Attributable to:				
250.0		(14.2)	11.9	n.a.
Owners of the Company				
0.3		-	-	n.a.
Non-controlling interests				
Earnings per share				
25.0		(1.4)	1.2	n.a.
Basic and diluted earnings/(loss) per share (EUR per share)				

Condensed Consolidated Statement of Financial Position

At 31 December 2023 and 31 March 2024 (in EUR millions)

	Note	31 December 2023	31 March 2024	%
Assets				
Non-current assets				
Intangible assets	9	69.9	95.7	37
Property, plant and equipment	10	1,674.3	1,741.9	4
Investment property		23.1	23.0	(0)
Right-of-use assets	10	47.8	45.0	(6)
Investments in associates and joint venture		129.3	133.7	3
Other investments		0.9	0.9	(0)
Other non-current financial asset		74.0	74.8	1
Deferred tax		112.4	115.0	2
Long-term marketable securities		2.5	2.5	-
Non-current financial assets		98.6	101.0	2
Other non-current asset		27.6	26.7	(3)
Total non-current assets		2,260.4	2,360.2	4
Current assets				
Inventories	11	345.4	498.5	44
Trade receivables, net	12	319.2	300.9	(6)
Other current financial asset		18.4	24.6	34
Corporative income tax receivables		2.8	2.9	4
Other current assets		34.0	58.1	71
Derivative financial instruments		9.9	13.0	31
Cash and cash equivalents		150.9	81.0	(46)
Current assets		880.6	979.0	11
Assets held for sale		0.9	0.9	(0)
Total current assets		881.5	979.9	11
Total assets	8	3,141.9	3,340.1	6
Equity and liabilities				
Capital and reserves				
Share capital	13	1,200.0	1,200.0	-
Legal reserves		39.9	39.9	-
Fair value reserves		73.9	75.8	3
Other reserves		207.5	207.7	0
(Accumulated losses)/Retained earnings		118.1	130.0	10
Equity attributable to the owners of the Company		1,639.4	1,653.4	1
Non-controlling interests		3.2	3.2	0
Total equity		1,642.6	1,656.6	1
Non-current liabilities				
Long-term debts		264.1	264.1	0
Long-term lease liabilities		35.7	33.4	(6)
Other non-current liabilities		2.7	2.6	(4)
Employee benefits obligation		6.9	6.9	-
Provisions		412.7	421.8	2
Deferred tax liability		2.3	2.3	0
Total non-current liabilities		724.4	731.1	1
Current liabilities				
Bank loans and current portion of long-term debt		102.5	241.6	136
Current portion of long-term lease liabilities		13.3	12.9	(3)
Other current financial liabilities		2.4	9.9	313
Trade payables	15	324.4	337.1	4
Taxes and contributions		184.4	161.8	(12)
Corporate tax liabilities		31.7	36.6	15
Other current liabilities		51.5	73.1	42
Derivative financial instruments		12.1	26.2	117
Employee benefits obligation		0.5	0.5	-
Provisions		52.1	52.7	1
Total current liabilities		774.9	952.4	23
Total liabilities	14	1,499.3	1,683.5	12
Total equity and liabilities		3,141.9	3,340.1	6

Condensed Consolidated Cash Flow Statement (Indirect method)

For the period ended 31 March 2023 and 2024 (in EUR millions)

2023	Note	Q1 2023	Q1 2024	%
250.3 Profit/(loss) for the period:		(14.2)	11.9	n.a.
Adjustments for:				
192.6 Depreciation, amortisation and impairment of property, plant and equipment and ROU asset (net)		43.7	39.8	(9)
54.9 Income tax (benefit)/expense recognised in profit and loss		(2.8)	2.2	n.a.
14.8 Impairment charges (net)		4.6	0.5	(89)
(18.9) Loss/(Gain) on sale of property, plant and equipment		(0.2)	(0.3)	50
6.9 Foreign exchange (gain)/loss		7.2	1.5	(79)
(2.6) Interest income		(0.6)	(0.6)	-
5.4 Interest expense		0.8	1.5	88
(6.7) Share of loss/(gain) of joint ventures accounted for using the equity method		-	(0.9)	n.a.
2.5 Other finance (income)/expense recognised in profit		(0.6)	(1.0)	67
(30.5) Increase/(decrease) in provision		(1.0)	0.1	n.a.
19.8 Decommissioning interests and other provision		3.8	5.6	47
2.8 Net (gain)/loss on derivative financial instruments and hedge transactions		(9.4)	17.4	n.a.
(5.1) Other non-cash items		-	-	n.a.
486.2 Operating cash flow before working capital changes	16	31.3	77.7	148
Movements in working capital	17			
38.1 Decrease/(Increase) in inventories		58.5	(154.6)	n.a.
15.1 Decrease/(Increase) in receivables and prepayments		16.3	(17.9)	n.a.
70.2 (Decrease)/Increase in trade and other payables		(117.0)	9.1	n.a.
609.6 Cash generated from operations		(10.9)	(85.7)	686
(165.9) Taxes paid		(0.8)	(0.5)	(38)
443.7 Net cash inflow/(outflow) from operating activities		(11.7)	(86.2)	637
Cash flows used in investing activities				
(300.6) Capital expenditures, exploration and development costs		(61.9)	(97.1)	57
(16.8) Payments for intangible assets		(1.8)	(7.7)	328
35.5 Proceeds from sale of non-current assets		0.2	0.3	50
(92.7) Investment in securities		-	-	n.a.
43.3 Proceeds from sale securities		-	-	n.a.
Dividends received from companies classified as non current financial assets and from other companies		-	-	n.a.
1.4		-	-	n.a.
7.2 Interest received and other financial income		2.3	0.9	(61)
1.2 Loans and deposits given (net)		0.1	0.1	0
(321.5) Net cash used in investing activities	18	(61.1)	(103.5)	69
Cash flows from financing activities				
1,059.2 Proceeds from borrowings		-	294.2	n.a.
(1,027.3) Repayment of borrowings		(64.0)	(158.9)	148
(13.5) Payment of lease liabilities		(3.3)	(3.4)	3
(14.7) Interest paid		2.7	(15.5)	n.a.
(200.0) Dividends paid		-	-	n.a.
(196.3) Net cash from financing activities		(64.6)	116.4	n.a.
(74.1) Net increase/(decrease) in cash and cash equivalents		(137.4)	(73.3)	(47)
226.6 At the beginning of the period		226.6	150.9	(33)
(1.6) Effect of foreign exchange rate changes		(0.1)	3.4	n.a.
150.9 At the end of period		89.1	81.0	(9)
- Overdrafts		1.7	-	n.a.
150.9 Cash and cash equivalents in statement of financial position		90.8	81.0	(11)

INA Group Summary Segmental Results of Operations

2023 (EUR mn)		Q1 2023	Q1 2024	%
Net sales revenues				
582.3	Exploration & Production	153.5	122.8	(20)
3,821.4	Refining & Marketing including Consumer services and Retail	745.9	778.4	4
219.7	Corporate and Other	46.0	58.6	27
(727.1)	Intersegment transfers and consolidation adjustments	(184.6)	(158.0)	(14)
3,896.3	Total	760.8	801.8	5
EBITDA*				
412.8	Exploration & Production	98.2	73.4	(25)
93.0	Refining & Marketing including Consumer services and Retail	(26.9)	12.3	n.a.
1.2	Corporate and Other	(5.6)	(1.7)	(70)
16.0	Intersegment transfers and consolidation adjustments	(28.7)	(24.1)	(16)
523.0	Total	37.0	60.0	62
EBITDA Excluding Special Items				
390.1	Exploration & Production	98.2	73.4	(25)
93.0	Refining & Marketing including Consumer services and Retail	(26.9)	12.3	n.a.
1.2	Corporate and Other	(5.6)	(1.7)	(70)
16.0	Intersegment transfers and consolidation adjustments	(28.7)	(24.1)	(16)
500.3	Total	37.0	60.0	62
Profit/(Loss) from operations				
323.1	Exploration & Production	80.0	60.1	(25)
7.4	Refining & Marketing including Consumer services and Retail	(46.9)	(9.1)	(81)
(16.3)	Corporate and Other	(11.1)	(6.8)	(38)
16.2	Intersegment transfers and consolidation adjustments	(28.7)	(24.0)	(16)
330.4	Total	(6.7)	20.2	n.a.
Profit/(Loss) from operations Excluding Special Items				
300.4	Exploration & Production	80.0	60.1	(25)
7.4	Refining & Marketing including Consumer services and Retail	(46.9)	(9.1)	(81)
(16.3)	Corporate and Other	(11.1)	(6.8)	(38)
16.2	Intersegment transfers and consolidation adjustments	(28.7)	(24.0)	(16)
307.7	Total	(6.7)	20.2	n.a.
Property, plant and equipment				
467.1	Exploration & Production	496.7	472.0	(5)
1,138.4	Refining & Marketing including Consumer services and Retail	1,052.2	1,204.1	14
144.7	Corporate and Other	134.3	144.2	7
(75.9)	Intersegment transfers and consolidation adjustments	(69.3)	(78.4)	13
1,674.3	Total	1,613.9	1,741.9	8

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

Intersegment transfers and consolidation adjustments

Intersegment transfers and consolidation adjustments indicate unrealised profit/loss on domestic crude oil and natural gas being transferred from Exploration and Production to Refining and Marketing but still being kept on INA inventory as crude oil/natural gas or finished/semi-finished product. Intersegment EBITDA effect on result in Q1 2024 is EUR (24.1) million compared to EUR (28.7) million in Q1 2023.

Financial overview and notes

Condensed Consolidated Statement of Profit or Loss

Notes

- 1 **Revenue from contracts with customers** in Q1 2024 amounted to EUR 801.8 million and are 5% higher compared to Q1 2023, primarily due to higher sale volumes
- 2 **Costs of raw materials and consumables** at EUR (36.0) million were 5% lower than Q1 2023 level, reflecting different dynamic of refinery operation
- 3 Other **operating costs** realized in Q1 2024 include:
 - Other material costs in the amount of EUR (71.4) million were higher by 38%, as a result of crude price changes
 - Service costs in the amount of EUR (16.9) million were approximately on the level of Q1 2023
 - Depreciation, amortisation and impairment (net) in the amount of EUR (39.8) million was 9% lower compared to Q1 2023
 - Impairment charges (net) had a negative effect in the amount of EUR (0.5) million in Q1 2024 compared to negative effect in the amount of EUR (4.6) million in Q1 2023, mainly related to impairment of materials in Q1 2023
 - Provision for charges and risk (net) had a negative effect in the amount of EUR (1.0) million in Q1 2024 compared to EUR (3.1) million negative effect in Q1 2023
- 4 **Staff costs** in the amount EUR (67.1) million were 11% higher than the Q1 2023, following salary increase
- 5 **Costs of other goods sold** in Q1 2024 were 2% below Q1 2023 level and amounted to EUR (542.8) million
- 6 **Net result from financial activities** is negative in Q1 2024 mainly as a result of:
 - Net foreign exchange loss amounted EUR (1.5) million in Q1 2024, while in Q1 2023 loss reached EUR (7.2) million
 - Interest expense amounted to EUR (7.1) million and interest income were EUR 0.6 million in Q1 2024, while in Q1 2023 interest expense amounted to EUR (4.6) million and interest income were EUR 0.6 million
 - Other financial net gain amounted to EUR 1.0 million in Q1 2024 compared to EUR 0.6 million in Q1 2023
- 7 **Income tax expense** in Q1 2024 amounted to EUR (2.2) million compared to EUR 2.8 million income tax gain in Q1 2023. 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 2024 and 2023

Condensed Consolidated Statement of Financial Position

Notes

- 8 As at 31 March 2024 INA Group **total assets** amounted to EUR 3,340.1 million, 6% higher than 31 December 2023
- 9 In the period ended 31 March 2024, INA Group invested EUR 7.5 million in **intangible assets**. The effect of depreciation equals EUR 1.3 million
- 10 In the period ended 31 March 2024, INA Group invested EUR 97.1 million in **property, plant and equipment**. The effect of depreciation reduced net book value in the amount of EUR 34.3 million
- 11 **Inventories** amounted to EUR 498.5 million and increased compared to EUR 345.4 million on 31 December 2023 mostly related to with higher imported crude in line with Rijeka Refinery operation
 - During Q1 2024, EUR 4,2 million was recognized as reversal of impairment of refined products and work in progress (in Q1 2023: EUR 5,1 million was recognised as reversal of impairment of refined products and work in progress) within Changes in inventories of finished products and work in progress within Statement of profit or loss
 - During Q1 2024, EUR 0,4 million was recognized as impairment of merchandise (in Q1 2023: EUR 0,5 million was recognised as impairment of merchandise) within Cost of goods sold within Statement of profit or loss
- 12 **Trade receivables (net)** amounted to EUR 300.9 million, which is 6% lower than on 31 December 2023
- 13 **Share capital** as at 31 March 2024 amounted to EUR 1,200.0 million. By the decision of the General Assembly and legal obligations to adjust the share capital after currency conversion Croatian kuna to euro, the registered capital was increased in August 2023 from EUR 1,194.5 million to EUR 1,200.0 million
- 14 As at 31 March 2024 **total liabilities** amounted to EUR 1,683.5 million, 12% higher compared to 31 December 2023. INA Group **net debt** amounted to EUR 424.7 million and increased compared to 31 December 2023. **Net gearing** increased from 11.6% as at 31 December 2023 to 20.4% as at 31 March 2024
- 15 **Trade payables** amounted to EUR 337.1 million and increased by 4% compared to 31 December 2023 mainly due to higher import crude in Q1 2024

Condensed Consolidated Cash Flow Statement (Indirect method)

Notes

- 16 The **operating cash flow before working capital changes** amounted to EUR 77.7 million in Q1 2024 representing an increase compared to Q1 2023, which is in line with the change in EBITDA performance excluding non-cash items
- 17 **Movements in working capital** affected the operating cash flow negatively by EUR (163.4) million, due to:
- Increase in value of inventories in the amount of EUR (154.6) million, mainly related to higher volumes
 - Increase in receivables in the amount of EUR (17.9) million
 - Increase in trade and other payables in the amount of EUR 9.1 million, mainly related to higher import in line with processing dynamics
- 18 **Net cash used in investing activities** amounted to EUR (103.5) million of outflows, primarily related to investment in Refining operations, which is above EUR (61.1) million outflows in Q1 2023, reflecting different investment dynamic

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 a 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 2023, the result was impacted by revision of decommission related cost in the amount of EUR 22.7 million.

In Q1 2023 and Q1 2024, there were no special items impacting the result.

Financial instruments and risk management

Risk Management procedures of INA Group are described in detail in Consolidated and separate Financial Statements of INA for the year ended 31 December 2023.

As of 31 March 2024 INA Group had:

- Opened forward commodity swap transactions to hedge its exposure to changes in pricing periods and fixed price contracts
- Contracted and available short-term credit lines amounted to EUR 488 million excluding overdrafts and trade financing credit lines established with the purpose to finance the purchase of crude oil and oil products
- Contracted and available long-term credit lines amounted to EUR 300 million
- Issued long-term bond of EUR 265 million, with a fixed annual interest rate and maturity in December 2026

Russia – Ukraine conflict

Management is continuously investigating and assessing the possible effects of the current geopolitical situation, international sanctions and other possible limitations on the supply chain and business activities of INA Group, driven by the Russia's invasion of Ukraine that commenced on 24 February 2022. INA Group exposure to Russia and Ukraine does not require any adjustments to these financial statements as of 31 March 2024, and is not expected to jeopardize the business continuity of the Group.

Changes in equity

EUR mn	Share capital	Legal reserves	Fair value reserves	Other reserves	(Accumulated losses)/ Retained earnings	Attributable to equity holders of the parent company	Non controlling interest	Total
Balance at 1 January 2023	1,194.5	33.2	58.0	214.4	81.0	1,581.1	2.9	1,584.0
Profit/(loss) for the period	-	-	-	-	(14.2)	(14.2)	-	(14.2)
Other comprehensive gain/(loss), net	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Total comprehensive income/(loss) for the period	-	-	(0.1)	-	(14.2)	(14.3)	-	(14.3)
Transfer to legal reserves	-	-	-	-	-	-	-	0.0
Dividends paid	-	-	-	-	-	-	-	0.0
Balance at 31 March 2023	1,194.5	33.2	57.9	214.4	66.8	1,566.9	2.9	1,569.8
Balance at 1 January 2024	1,200.0	39.9	73.9	207.5	118.1	1,639.4	3.2	1,642.6
Profit/(loss) for the period	-	-	-	-	11.9	11.9	-	11.9
Other comprehensive gain/(loss), net	-	-	1.9	0.2	-	2.1	-	2.1
Total comprehensive income/(loss) for the period	-	-	1.9	0.2	11.9	14.0	-	14.0
Transfer to legal reserves	-	-	-	-	-	-	-	-
Increase in share capital, conversion	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Balance at 31 March 2024	1,200.0	39.9	75.8	207.7	130.0	1,653.4	3.2	1,656.6

Related party transactions

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

Transactions between INA, d.d. and its subsidiaries, which are related parties of the Company, have been eliminated on Group level consolidation.

During Q1 2024, INA Group entered into the following trading transactions with the following related parties:

INA Group	Sales of goods	Purchase of goods
EUR mn	31 March 2024	31 March 2024
Companies available for sale		
JANAF d.d. Zagreb	0.2	1.2
Governing company		
MOL Nyrt.	42.6	33.7
Companies controlled by governing company		
Tifon d.o.o.	32.4	0.2
MOL Serbia d.o.o.	0.1	-
MOL Slovenija d.o.o.	0.2	-
MOL Commodity Trading Kft.	0.1	26.5
SLOVNAFT, a.s.	-	96.2
Geoinform Kft.	0.1	-
ISO-SZER Kft.	-	5.2

INA Group	Amounts owed from related parties	Amounts owed to related parties
EUR mn	31 March 2024	31 March 2024
Companies available for sale		
JANAF d.d. Zagreb	0.1	0.8
Governing company		
MOL Nyrt.	39.1	22.3
Companies controlled by governing company		
Tifon d.o.o.	17.1	0.4
MOL Serbia d.o.o.	0.7	0.1
MOL Slovenija d.o.o.	0.3	0.6
MOL Commodity Trading Kft.	23.7	23.6
MOL Petrochemicals Co. Ltd.	-	0.1
SLOVNAFT, a.s.	-	7.6
Geoinform Kft.	0.1	0.2
MOL LUB Kft.	-	0.1
ISO-SZER Kft.	-	5.7
MOL Slovenia Downstream Investment B.V.	-	3.5

Management representation

Consolidated financial statements of INA Group for Q1 2024 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:

- Zsuzsanna Ortutay – President of the Management Board
- Károly Hazuga – Member of the Management Board
- Zsombor Marton – Member of the Management Board
- Miroslav Skalicki – Member of the Management Board
- dr.sc. Hrvoje Šimović – Member of the Management Board
- Marin Zovko – Member of the Management Board