

Annex 1**ISSUER'S GENERAL DATA**

Reporting period: to
Year:
Quarter:

Quarterly financial statements

Registration number (MB): Issuer's home Member State code:
Entity's registration number (MBS):
Personal identification number (OIB): LEI:
Institution code:

Name of the issuer: Postcode and town: Street and house number: E-mail address: Web address: Number of employees (end of the reporting): Consolidated report: (KN-not consolidated/KD-consolidated)Audited: (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm: (Yes/No)
(name of the bookkeeping firm)Contact person:
(only name and surname of the contact person)Telephone: E-mail address: Audit firm:
(name of the audit firm)Certified auditor:
(name and surname)

BALANCE SHEET
balance as at 31.3.2019

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	16,190,000,000	16,872,000,000
I INTANGIBLE ASSETS (ADP 004 to 009)	003	456,000,000	500,000,000
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	206,000,000	224,000,000
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	25,000,000	17,000,000
5 Intangible assets in preparation	008	225,000,000	245,000,000
6 Other intangible assets	009	0	14,000,000
II TANGIBLE ASSETS (ADP 011 to 019)	010	10,766,000,000	11,274,000,000
1 Land	011	1,008,000,000	1,005,000,000
2 Buildings	012	4,697,000,000	4,614,000,000
3 Plant and equipment	013	2,244,000,000	2,228,000,000
4 Tools, working inventory and transportation assets	014	243,000,000	228,000,000
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	180,000,000	165,000,000
7 Tangible assets in preparation	017	2,388,000,000	2,692,000,000
8 Other tangible assets	018	6,000,000	342,000,000
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	3,341,000,000	3,475,000,000
1 Investments in holdings (shares) of undertakings within the group	021	1,960,000,000	1,960,000,000
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	738,000,000	855,000,000
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	157,000,000	134,000,000
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	4,000,000
8 Loans, deposits, etc. given	028	7,000,000	7,000,000
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	479,000,000	515,000,000
IV RECEIVABLES (ADP 032 to 035)	031	538,000,000	550,000,000
1 Receivables from undertakings within the group	032	12,000,000	11,000,000
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	50,000,000	46,000,000
4 Other receivables	035	476,000,000	493,000,000
V DEFERRED TAX ASSETS	036	1,089,000,000	1,073,000,000
C) CURRENT ASSETS (ADP 038+046+053+063)	037	4,663,000,000	4,199,000,000
I INVENTORIES (ADP 039 to 045)	038	2,351,000,000	1,942,000,000
1 Raw materials and consumables	039	445,000,000	424,000,000
2 Work in progress	040	874,000,000	804,000,000
3 Finished goods	041	860,000,000	397,000,000
4 Merchandise	042	172,000,000	314,000,000
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	3,000,000
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1,819,000,000	1,755,000,000
1 Receivables from undertakings within the group	047	256,000,000	263,000,000
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1,490,000,000	1,411,000,000
4 Receivables from employees and members of the undertaking	050	1,000,000	0
5 Receivables from government and other institutions	051	2,000,000	0
6 Other receivables	052	70,000,000	81,000,000
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	158,000,000	77,000,000
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	15,000,000	18,000,000
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	27,000,000	27,000,000
8 Loans, deposits, etc. given	061	3,000,000	3,000,000
9 Other financial assets	062	113,000,000	29,000,000
IV CASH AT BANK AND IN HAND	063	335,000,000	425,000,000
D) PREPAID EXPENSES AND ACCRUED INCOME	064	34,000,000	53,000,000
E) TOTAL ASSETS (ADP 001+002+037+064)	065	20,887,000,000	21,124,000,000
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	12,352,000,000	12,439,000,000
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	1,283,000,000	1,297,000,000
1 Legal reserves	071	99,000,000	99,000,000
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	1,184,000,000	1,198,000,000
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	135,000,000	165,000,000
1 Fair value of financial assets available for sale	078	135,000,000	165,000,000
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	600,000,000	1,934,000,000
1 Retained profit	082	600,000,000	1,934,000,000
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	1,334,000,000	43,000,000
1 Profit for the business year	085	1,334,000,000	43,000,000
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	3,863,000,000	3,933,000,000
1 Provisions for pensions, termination benefits and similar obligations	089	37,000,000	94,000,000
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	30,000,000	32,000,000
4 Provisions for renewal of natural resources	092	3,228,000,000	3,231,000,000
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	568,000,000	576,000,000
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	44,000,000	322,000,000
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	225,000,000
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	54,000,000
6 Liabilities to banks and other financial institutions	101	0	0
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	44,000,000	43,000,000
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	4,518,000,000	4,310,000,000
1 Liabilities to undertakings within the group	108	390,000,000	347,000,000
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	194,000,000	284,000,000
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	43,000,000
6 Liabilities to banks and other financial institutions	113	1,892,000,000	1,125,000,000
7 Liabilities for advance payments	114	38,000,000	37,000,000
8 Liabilities to suppliers	115	1,242,000,000	1,305,000,000
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	58,000,000	39,000,000
11 Taxes, contributions and similar liabilities	118	514,000,000	994,000,000
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	190,000,000	136,000,000
E) ACCRUALS AND DEFERRED INCOME	122	110,000,000	120,000,000
F) TOTAL - LIABILITIES (ADP 067+088+095+107+122)	123	20,887,000,000	21,124,000,000
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 31.3.2019

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 126 to 130)	125	3,545,000,000	3,545,000,000	3,991,000,000	3,991,000,000
1 Income from sales with undertakings within the group	126	490,000,000	490,000,000	635,000,000	635,000,000
2 Income from sales (outside group)	127	2,974,000,000	2,974,000,000	3,290,000,000	3,290,000,000
3 Income from the use of own products, goods and services	128	5,000,000	5,000,000	3,000,000	3,000,000
4 Other operating income with undertakings within the group	129	11,000,000	11,000,000	3,000,000	3,000,000
5 Other operating income (outside the group)	130	65,000,000	65,000,000	60,000,000	60,000,000
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	3,485,000,000	3,485,000,000	3,890,000,000	3,890,000,000
1 Changes in inventories of work in progress and finished goods	132	-66,000,000	-66,000,000	523,000,000	523,000,000
2 Material costs (ADP 134 to 136)	133	2,807,000,000	2,807,000,000	2,498,000,000	2,498,000,000
a) Costs of raw materials and consumables	134	1,358,000,000	1,358,000,000	169,000,000	169,000,000
b) Costs of goods sold	135	972,000,000	972,000,000	1,917,000,000	1,917,000,000
c) Other external costs	136	477,000,000	477,000,000	412,000,000	412,000,000
3 Staff costs (ADP 138 to 140)	137	184,000,000	184,000,000	187,000,000	187,000,000
a) Net salaries and wages	138	109,000,000	109,000,000	113,000,000	113,000,000
b) Tax and contributions from salary costs	139	48,000,000	48,000,000	48,000,000	48,000,000
c) Contributions on salaries	140	27,000,000	27,000,000	26,000,000	26,000,000
4 Depreciation	141	391,000,000	391,000,000	373,000,000	373,000,000
5 Other costs	142	196,000,000	196,000,000	217,000,000	217,000,000
6 Value adjustments (ADP 144+145)	143	-45,000,000	-45,000,000	50,000,000	50,000,000
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	-45,000,000	-45,000,000	50,000,000	50,000,000
7 Provisions (ADP 147 to 152)	146	18,000,000	18,000,000	42,000,000	42,000,000
a) Provisions for pensions, termination benefits and similar obligations	147	-3,000,000	-3,000,000	56,000,000	56,000,000
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	-2,000,000	-2,000,000	2,000,000	2,000,000
d) Provisions for renewal of natural resources	150	26,000,000	26,000,000	-16,000,000	-16,000,000
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	-3,000,000	-3,000,000	0	0
8 Other operating expenses	153	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	294,000,000	294,000,000	35,000,000	35,000,000
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	7,000,000	7,000,000	6,000,000	6,000,000
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	224,000,000	224,000,000	12,000,000	12,000,000
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	1,000,000	1,000,000	1,000,000	1,000,000
8 Exchange rate differences and other financial income	162	62,000,000	62,000,000	16,000,000	16,000,000
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	67,000,000	67,000,000	60,000,000	60,000,000
1 Interest expenses and similar expenses with undertakings within the group	166	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	167	15,000,000	15,000,000	0	0
3 Interest expenses and similar expenses	168	19,000,000	19,000,000	34,000,000	34,000,000
4 Exchange rate differences and other expenses	169	24,000,000	24,000,000	24,000,000	24,000,000
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	8,000,000	8,000,000	0	0
7 Other financial expenses	172	0	0	1,000,000	1,000,000
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	23,000,000	23,000,000
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	3,839,000,000	3,839,000,000	4,026,000,000	4,026,000,000
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	3,552,000,000	3,552,000,000	3,973,000,000	3,973,000,000
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	287,000,000	287,000,000	53,000,000	53,000,000
1 Pre-tax profit (ADP 177-178)	180	287,000,000	287,000,000	53,000,000	53,000,000
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	63,000,000	63,000,000	10,000,000	10,000,000
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	224,000,000	224,000,000	43,000,000	43,000,000
1 Profit for the period (ADP 179-182)	184	224,000,000	224,000,000	43,000,000	43,000,000
2 Loss for the period (ADP 182-179)	185	0	0	0	0

DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	224,000,000	224,000,000	43,000,000	43,000,000
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	2,000,000	2,000,000	44,000,000	44,000,000
1 Exchange rate differences from translation of foreign operations	204	-27,000,000	-27,000,000	14,000,000	14,000,000
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	29,000,000	29,000,000	30,000,000	30,000,000
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	2,000,000	2,000,000	44,000,000	44,000,000
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	226,000,000	226,000,000	87,000,000	87,000,000
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 216+217)	215	0	0	0	0
1 Attributable to owners of the parent	216	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. to 31.3.2019.

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	287,000,000	53,000,000
2 Adjustments (ADP 003 to 010):	002	156,000,000	512,000,000
a) Depreciation	003	391,000,000	373,000,000
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-45,000,000	50,000,000
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-2,000,000	-2,000,000
d) Interest and dividend income	006	0	0
e) Interest expenses	007	8,000,000	19,000,000
f) Provisions	008	18,000,000	42,000,000
g) Exchange rate differences (unrealised)	009	-25,000,000	10,000,000
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-189,000,000	20,000,000
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	443,000,000	565,000,000
3 Changes in the working capital (ADP 013 to 016)	012	-547,000,000	1,105,000,000
a) Increase or decrease in short-term liabilities	013	739,000,000	714,000,000
b) Increase or decrease in short-term receivables	014	-487,000,000	-94,000,000
c) Increase or decrease in inventories	015	-799,000,000	485,000,000
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-104,000,000	1,670,000,000
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	-104,000,000	1,670,000,000
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	2,000,000	1,000,000
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	6,000,000	15,000,000
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	461,000,000	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	469,000,000	16,000,000
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-245,000,000	-562,000,000
2 Cash payments for the acquisition of financial instruments	029	-4,000,000	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	-170,000,000
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-249,000,000	-732,000,000
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	220,000,000	-716,000,000
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	0	0
4 Other cash receipts from financing activities	038	25,000,000	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	25,000,000	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-354,000,000	-823,000,000
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	-36,000,000
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	-6,000,000
VI Total cash payments from financing activities (ADP 040 to 044)	045	-358,000,000	-865,000,000
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-333,000,000	-865,000,000
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	9,000,000	1,000,000
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-208,000,000	90,000,000
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	364,000,000	335,000,000
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	156,000,000	425,000,000

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2019 to 31.3.2019

in HRK

Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 + 7 + 8 to 15)	17	18 (16+17)	
Previous period																		
1 Balance on the first day of the previous business year	01	9,000,000,000	0	28,000,000	0	0	0	1,138,000,000	0	289,000,000	0	0	0	1,426,000,000	11,881,000,000	0	11,881,000,000	
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	9,000,000,000	0	28,000,000	0	0	0	1,138,000,000	0	289,000,000	0	0	0	1,426,000,000	11,938,000,000	0	11,938,000,000	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	224,000,000	224,000,000	0	224,000,000	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-27,000,000	0	0	0	0	0	0	-27,000,000	0	-27,000,000	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	29,000,000	0	0	0	0	29,000,000	0	29,000,000	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	1,426,000,000	-1,426,000,000	0	0	0	
21 Transfer to reserves according to the annual schedule	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	9,000,000,000	0	28,000,000	0	0	0	1,111,000,000	0	318,000,000	0	0	1,483,000,000	224,000,000	12,164,000,000	0	12,164,000,000	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																		
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)																		
24	24	0	0	0	0	0	0	-27,000,000	0	29,000,000	0	0	0	0	2,000,000	0	2,000,000	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05,24)																		
25	25	0	0	0	0	0	0	-27,000,000	0	29,000,000	0	0	0	224,000,000	226,000,000	0	226,000,000	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)																		
26	26	0	0	0	0	0	0	0	0	0	0	0	1,426,000,000	-1,426,000,000	0	0	0	
Current period																		
1 Balance on the first day of the current business year	27	9,000,000,000	0	99,000,000	0	0	0	1,184,000,000	0	135,000,000	0	0	600,000,000	1,334,000,000	12,352,000,000	0	12,352,000,000	
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	9,000,000,000	0	99,000,000	0	0	0	1,184,000,000	0	135,000,000	0	0	600,000,000	1,334,000,000	12,352,000,000	0	12,352,000,000	
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	43,000,000	43,000,000	0	43,000,000	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	14,000,000	0	0	0	0	0	0	14,000,000	0	14,000,000	
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	30,000,000	0	0	0	0	30,000,000	0	30,000,000	
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	1,334,000,000	-1,334,000,000	0	0	0	
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	9,000,000,000	0	99,000,000	0	0	0	1,198,000,000	0	165,000,000	0	0	1,934,000,000	43,000,000	12,439,000,000	0	12,439,000,000	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																		
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)																		
50	50	0	0	0	0	0	0	14,000,000	0	30,000,000	0	0	0	0	44,000,000	0	44,000,000	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)																		
51	51	0	0	0	0	0	0	14,000,000	0	30,000,000	0	0	0	43,000,000	87,000,000	0	87,000,000	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)																		
52	52	0	0	0	0	0	0	0	0	0	0	0	1,334,000,000	-1,334,000,000	0	0	0	

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

Name of the issuer: INA INDUSTRIJA NAFTE, d.d. Zagreb

Personal identification number (OIB): 27759560625

Reporting period: 1 January 2019 - 31 March 2019

Separated, nonconsolidated financial statements are prepared on the consistent presentation and classification basis. When the presentation or classification of items in the nonconsolidated financial statements is amended, comparative amounts are reclassified unless the reclassification is impracticable.

The principal accounting policies applied in the preparation of nonconsolidated (separated) financial statements (INA, d.d. Q1 2019 Financial Report) are IAS 34 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 January 2019 (effective from 1 January 2019).

In 2019 accounting policies and procedures were updated taking into consideration of new IFRS 16 Leasing. Therefore, a new accounting policy for treatment of right-of-use asset and lease agreement is implemented.

INA, d.d. Q1 2019 Financial Report in details presents significant business events as of 31 March 2019.

Annual financial statement for year end 2018 and INA, d.d. Q1 2019 Financial Report are available on www.ina.hr.



INA, D.D.
Q1 2019
FINANCIAL REPORT

Zagreb, April, 2019

INA, d.d. financial results (IFRS)

2018	HRK mln	Q1 2018	Q1 2019	%
21,070	Net sales revenues*	3,464	3,925	13
3,041	EBITDA ⁽¹⁾	451	474	5
2,821	EBITDA excl. special items ⁽²⁾	451	474	5
1,353	Operating profit	60	101	68
1,134	Operating profit excl. special items ⁽²⁾	60	101	68
304	Net financial result	227	(25)	n.a.
1,334	Net profit attributable to equity holder	224	43	(81)
1,114	Net profit excl. special items ⁽²⁾	224	43	(81)
2,410	Operating cash flow	(104)	1,670	n.a.
Earnings per share				
133.4	Basic and diluted earnings per share (HRK per share)	22.4	4.3	(81)
1,557	Net debt	1,109	700	(37)
11.2	Net gearing (%)	8.4	5.3	
1,675	CAPEX	190	542	185
2018 USD mln ⁽³⁾				
3,356	Net sales revenues*	572	601	5
484	EBITDA ⁽¹⁾	75	73	(3)
449	EBITDA excl. special items ⁽²⁾	75	73	(3)
216	Operating profit	10	15	50
181	Operating profit excl. special items ⁽²⁾	10	15	50
48	Net financial result	38	(4)	n.a.
213	Net profit attributable to equity holder	37	7	(81)
178	Net profit excl. special items ⁽²⁾	37	7	(81)
384	Operating cash flow	(17)	256	n.a.
Earnings per share				
21.0	Basic and diluted earnings per share (USD per share)	3.7	0.7	(82)
241	Net debt	184	106	(42)
267	CAPEX	31	83	168

* Related to Revenue from contracts with customers

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

(2) In reporting period there were no special items

(3) In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q1 2018 – 6.0530 HRK/USD; Q1 2019 – 6.5281 HRK/USD; for 2018 – 6.2784 HRK/USD; as at 31 March 2018 – 6.0296 HRK/USD; as at 31 March 2019 – 6.6100 HRK/USD; as at 31 December 2018 – 6.4692 HRK/USD;

INA, d.d. revenues increased by 13% in Q1 2019 with the continuation of favourable hydrocarbon prices and increased sales. EBITDA recorded a 5% increase to HRK 474 million excluding special items while operating profit excluding special items increased to HRK 101 million, significantly above previous year Q1 realisation.

Exploration and Production EBITDA excluding special items decreased by 23% to HRK 538 million with slightly lower realized hydrocarbon price (-2% year-on-year in USD terms) and production slightly below 36 mboe/d. Crude oil production increased, primarily in Croatia and Egypt, however it was fully offset with decline of gas production. EBITDA of Refining and Marketing including Consumer Services and Retail excluding special items amounted to HRK 22 million, compared to HRK 114 million loss in the same period last year. The result was achieved on the back of higher sales volumes in both wholesale and retail and strong sales margins, at a period of significantly lower processing due to major turnaround in Rijeka Refinery.

Compared to Q1 2018, CAPEX more than doubled to the level of HRK 542 million, mainly driven by investments in Rijeka Refinery. Net gearing further decreased to 5.3% with net debt at HRK 700 million.

Non-consolidated Statement of Profit or Loss

For the period ended 31 March 2018 and 2019 (in HRK millions)

2018		Q1 2018	Q1 2019	%
21,070	Revenue from Contracts with Customers	3,464	3,925	13
14	Capitalised value of own performance	5	3	(40)
335	Other operating income*	76	63	(17)
21,419	Total operating income	3,545	3,991	13
364	Changes in inventories of finished products and work in progress	66	(523)	n.a.
(11,819)	Cost of raw materials and consumables	(1,358)	(169)	(88)
(1,688)	Depreciation, amortisation and impairment (net)	(391)	(373)	(5)
(2,162)	Other material costs*	(477)	(412)	(14)
(787)	Service costs	(170)	(190)	12
(950)	Staff costs	(210)	(214)	2
(3,169)	Cost of other goods sold	(972)	(1,917)	97
162	Impairment and charges (net)	45	(50)	n.a.
(17)	Provision for charges and risks (net)	(18)	(42)	133
(20,066)	Operating expenses	(3,485)	(3,890)	12
1,353	Profit from operations	60	101	68
505	Finance income	294	35	(88)
(201)	Finance costs	(67)	(60)	(10)
304	Net profit result from financial activities	227	(25)	n.a.
-	Share of net loss of joint ventures accounted for using the equity method	-	(23)	n.a.
1,657	Profit before tax	287	53	(82)
(323)	Income tax expense	(63)	(10)	(84)
1,334	Profit for the year	224	43	(81)
	Attributable to			
1,334	Owners of the Company	224	43	(81)
1,334		224	43	(81)
	Earnings per share			
133.4	Basic and diluted earnings per share (HRK per share)	22.4	4.3	(81)

* Restatement of comparable previous periods was made – see on page 6

Non-consolidated Statement of Financial Position

At 31 March 2019 (in HRK millions)

	31 December 2018	31 March 2019	%
Assets			
Non-current assets			
Intangible assets	431	469	9
Intangible assets - ROU	-	14	n.a.
Property, plant and equipment	10,586	10,773	2
Property, plant and equipment - ROU	-	336	n.a.
Investment in subsidiaries	1,960	1,960	(0)
Investments in associates and joint ventures	150	127	(15)
Other investments	752	869	16
Long-term receivables	743	732	(1)
Deferred tax	1,089	1,073	(1)
Non-current financial assets	479	519	8
Total non-current assets	16,190	16,872	4
Current assets			
Inventories	2,351	1,939	(18)
Intercompany receivables	256	263	3
Trade receivables, net	1,490	1,411	(5)
Other receivables	73	81	11
Other current assets	165	103	(38)
Marketable securities	27	27	0
Cash and cash equivalents	335	425	27
Current assets	4,697	4,249	(10)
Assets classified as held for sale	-	3	n.a.
Total current assets	4,697	4,252	(9)
Total assets	20,887	21,124	1
Equity and liabilities			
Capital and reserves			
Share capital	9,000	9,000	0
Legal reserves	99	99	0
Revaluation reserve	135	165	22
Other reserves	1,184	1,198	1
Retained earnings	1,934	1,977	2
Total equity	12,352	12,439	1
Non-current liabilities			
Long-term lease liabilities	-	54	n.a.
Intercompany payables	-	225	n.a.
Other non-current liabilities	44	43	(2)
Employee benefits obligation	33	29	(12)
Provisions	3,599	3,594	(0)
Total non-current liabilities	3,676	3,945	7
Current liabilities			
Bank loans and overdrafts	1,767	1,125	(36)
Current portion of long-term loans	125	-	n.a.
Current portion of long-term lease liabilities	-	43	n.a.
Intercompany payables	584	631	8
Trade payables	1,242	1,305	5
Taxes and contributions	514	994	93
Other current liabilities	395	332	(16)
Employee benefits obligation	3	3	0
Provisions	229	307	34
Total current liabilities	4,859	4,740	(2)
Total liabilities	8,535	8,685	2
Total equity and liabilities	20,887	21,124	1

Non-consolidated Cash Flow Statement

For the period ended 31 March 2018 and 2019 (in HRK millions)

2018	Q1 2018	Q1 2019	%
1,334 Profit/(loss) for the year	224	43	(81)
Adjustments for:			
1,688 Depreciation, amortisation and impairment (net)	391	373	(5)
323 Income tax (benefit)/expenses recognized in (loss)/profit	63	10	(84)
(162) Impairment charges (net)	(45)	50	n.a.
(7) Gain on sale of property, plant and equipment	(2)	(2)	0
49 Foreign exchange loss/(gain)	(25)	10	n.a.
6 Interest expense /(income) (net)	(1)	-	n.a.
- Income from reversal of impaired loans	(220)	-	n.a.
- Impairment of / (Income from reversal of impaired) investment in subsidiaries	-	23	n.a.
(429) Other finance income/(expense) recognised in income statement	2	1	(50)
(20) (Decrease)/increase in provisions	18	42	133
56 Decommissioning interests	9	19	111
96 Net gain/loss on derivative financial instruments and hedge transactions	29	(3)	n.a.
15 Other non-cash items	-	(1)	n.a.
2,949 Operating cash flow before working capital changes	443	565	28
Movements in working capital			
(645) (Increase)/decrease in inventories	(799)	485	n.a.
(881) (Increase) /decrease in receivables and prepayments	(487)	(94)	(81)
1,022 (Decrease)/increase in trade and other payables	739	714	(3)
2,445 Cash generated from operations	(104)	1,670	n.a.
(35) Taxes paid	-	-	n.a.
2,410 Net cash inflow from operating activities	(104)	1,670	n.a.
Cash flows used in investing activities			
(1,279) Capital expenditures, exploration and development costs	(211)	(520)	146
(125) Payment for intangible assets	(34)	(42)	24
8 Proceeds from sale of non-current assets	2	1	(50)
- Payments related to sale of subsidiary	(4)	-	n.a.
(415) Acquisition of investments in associates and joint ventures and other companies	-	-	n.a.
121 Proceeds from profit of companies	-	-	n.a.
51 Interest received and other financial income	6	15	150
(250) Investments and loans to third parties	461	(170)	n.a.
(1,889) Net cash (outflow) used for investing activities	220	(716)	n.a.
Cash flows from financing activities			
(122) Repayment of long-term borrowings	(59)	(126)	114
416 Change in short-term borrowings (net)	(294)	(697)	137
(812) Payment dividends	-	-	n.a.
- Finance lease repayments	-	(36)	n.a.
(5) Interest paid on long-term loans	(1)	-	n.a.
- Other long-term liabilities	25	-	n.a.
(50) Interest paid on short term loans and other financing charges	(4)	(6)	50
(573) Net cash from financing activities	(333)	(865)	160
(52) Net (decrease)/increase in cash and cash equivalents	(217)	89	n.a.
364 At 1 January	364	335	(8)
23 Effect of foreign exchange rate changes	9	1	(89)
335 At the end of period	156	425	172

Financial overview

Statement of profit or loss

Revenues from contracts with customers in Q1 2019 amounted to HRK 3,925 million and were 13% above the Q1 2018 level, triggered mainly by higher mofuel sales on domestic and B&H market additionally supported by stable sales margins.

Costs of raw materials and consumables were 88% lower than the Q1 2018 level at HRK 169 million, resulting mainly from lower processing triggered by Rijeka Refinery turnaround and lower crude prices.

Costs of other goods sold in Q1 2019 recorded an increase of 97% compared to Q1 2018, and amounted to HRK 1,917 million resulting from higher import (primarily diesel) to ensure market supply during Rijeka Refinery turnaround.

Other **operating costs** realized in Q1 2019 include:

- Other material costs amounted to HRK 412 million, a 14% decrease compared to Q1 2018 mainly related to lower rail and vessel transportation costs
- Service costs in the amount of HRK 190 million raised 12% above the last year's level
- Depreciation, amortisation and impairment (net) was 5% lower compared to Q1 2018 and amounted to HRK 373 million
- Impairment and provisions had a negative effect in the amount of HRK 92 million mainly related to impairment of EGPC receivables

Staff costs in the amount HRK 214 million were 2% higher compared to Q1 2018.

Net result from financial activities in Q1 2019 is negative in the amount of HRK 25 million, compared to HRK 227 million of net financial profit in Q1 2018.

Statement of financial position

Total assets of INA, d.d., as at 31 March 2019 amounted to HRK 21,124 million and was 1% higher than 31 December 2018.

Property, plant and equipment amounted to HRK 10,773 million and were 2% higher than 31 December 2018.

Trade receivables, net outside of INA Group amounted to HRK 1,411 million and were 5% lower compared to 31 December 2018.

Total liabilities amounted to HRK 8,685 million and were 2% higher compared to 31 December 2018.

Net indebtedness of INA, d.d., amounted to HRK 700 million as at 31 March 2019 which is 55% lower compared to 31 December 2018. Gearing ratio decreased from 11.2% as at 31 December 2018 to 5.3% as at 31 March 2019.

As at 31 March 2019 **trade payables** outside of INA-Group amounted HRK 1,305 million, which is an increase of 5% compared to the 31 December 2018.

Cash flow

The operating cash flow before changes in working capital amounted to HRK 565 million in Q1 2019, which is increase of 28% compared to the same period last year.

Movements in working capital affected the operating cash flow positively by HRK 1,105 million, primarily due to:

- Decreased value of inventories by HRK 485 million mainly related to higher sales and lower domestic crude inventory volume change
- Increase in receivables by HRK 94 million related to domestic customers
- Payables increase by HRK 714 million related mainly to VAT payables

In both Q1 2018 and Q1 2019, no taxes were paid having no influence on the operating cash flow. All the above factors resulted in HRK 1,670 million net inflows from operating activities generated by INA d.d. in Q1 2019.

Restatement

INA, d.d. reclassified net loss effect from valuation of emission quotas from other operating income to other material cost in amount of HRK 10 million as 31 March 2019 as well as net loss effect from hedge transaction from other operating income to other material cost in amount of HRK 28 million as 31 March 2018. Additionally, gas trading operations have been moved from the Exploration and Production to Refining and Marketing including Consumer Services and Retail and the comparable periods restated.

Management representation

INA, d.d. non-consolidated financial statements for Q1 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS), i.e. they present fairly, in all material aspects, the financial position of the company, results of its operations and cash flows.

Management Board:

- Sándor Fasimon – President of the Management Board
- Niko Dalić – Member of the Management Board
- Ivan Krešić – Member of the Management Board
- Davor Mayer – Member of the Management Board
- Zsolt Pethő – Member of the Management Board
- Ákos Székely – Member of the Management Board