

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 30.6.2019

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	16,856,000,000
I INTANGIBLE ASSETS (ADP 004 to 009)	003	456,000,000	435,000,000
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	206,000,000	125,000,000
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	25,000,000	25,000,000
5 Intangible assets in preparation	008	225,000,000	272,000,000
6 Other intangible assets	009	0	13,000,000
II TANGIBLE ASSETS (ADP 011 to 019)	010	10,766,000,000	11,332,000,000
1 Land	011	1,008,000,000	1,005,000,000
2 Buildings	012	4,697,000,000	4,549,000,000
3 Plant and equipment	013	2,244,000,000	2,223,000,000
4 Tools, working inventory and transportation assets	014	243,000,000	247,000,000
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	180,000,000	33,000,000
7 Tangible assets in preparation	017	2,388,000,000	2,864,000,000
8 Other tangible assets	018	6,000,000	411,000,000
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	3,341,000,000	3,516,000,000
1 Investments in holdings (shares) of undertakings within the group	021	1,960,000,000	1,983,000,000
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	815,000,000
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	157,000,000	140,000,000
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	567,000,000
IV RECEIVABLES (ADP 032 to 035)	031	538,000,000	532,000,000
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	44,000,000
4 Other receivables	035	476,000,000	477,000,000
V DEFERRED TAX ASSETS	036	1,089,000,000	1,041,000,000
C) CURRENT ASSETS (ADP 038+046+053+063)	037	4,663,000,000	5,594,000,000
I INVENTORIES (ADP 039 to 045)	038	2,351,000,000	2,782,000,000
1 Raw materials and consumables	039	445,000,000	688,000,000
2 Work in progress	040	874,000,000	1,297,000,000
3 Finished goods	041	860,000,000	653,000,000
4 Merchandise	042	172,000,000	140,000,000
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	4,000,000
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1,819,000,000	2,056,000,000
1 Receivables from undertakings within the group	047	256,000,000	292,000,000

2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1,490,000,000	1,693,000,000
4 Receivables from employees and members of the undertaking	050	1,000,000	2,000,000
5 Receivables from government and other institutions	051	2,000,000	7,000,000
6 Other receivables	052	70,000,000	62,000,000
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	158,000,000	97,000,000
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	20,000,000
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	26,000,000
8 Loans, deposits, etc. given	061	3,000,000	3,000,000
9 Other financial assets	062	113,000,000	48,000,000
IV CASH AT BANK AND IN HAND	063	335,000,000	659,000,000
D) PREPAID EXPENSES AND ACCRUED INCOME	064	34,000,000	48,000,000
E) TOTAL ASSETS (ADP 001+002+037+064)	065	20,887,000,000	22,498,000,000
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	12,352,000,000	11,376,000,000
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	1,350,000,000
1 Legal reserves	071	99,000,000	166,000,000
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	1,184,000,000
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	135,000,000	207,000,000
1 Fair value of financial assets available for sale	078	135,000,000	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
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	600,000,000	617,000,000
1 Retained profit	082	600,000,000	617,000,000
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	1,334,000,000	202,000,000
1 Profit for the business year	085	1,334,000,000	202,000,000
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	3,705,000,000
1 Provisions for pensions, termination benefits and similar obligations	089	37,000,000	58,000,000
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	30,000,000	7,000,000
4 Provisions for renewal of natural resources	092	3,228,000,000	3,071,000,000
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	568,000,000	569,000,000
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	44,000,000	393,000,000
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	220,000,000
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	131,000,000
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	42,000,000
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	4,518,000,000	6,977,000,000
1 Liabilities to undertakings within the group	108	390,000,000	318,000,000
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	194,000,000	275,000,000
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	42,000,000
6 Liabilities to banks and other financial institutions	113	1,892,000,000	2,287,000,000
7 Liabilities for advance payments	114	38,000,000	38,000,000
8 Liabilities to suppliers	115	1,242,000,000	1,819,000,000
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	58,000,000	38,000,000
11 Taxes, contributions and similar liabilities	118	514,000,000	747,000,000
12 Liabilities arising from the share in the result	119	0	1,250,000,000
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	190,000,000	163,000,000

E) ACCRUALS AND DEFERRED INCOME	122	110,000,000	47,000,000
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	20,887,000,000	22,498,000,000
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 30.6.2019

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	9,071,000,000	5,526,000,000	9,228,000,000	5,237,000,000
1 Income from sales with undertakings within the group	126	1,184,000,000	694,000,000	1,500,000,000	865,000,000
2 Income from sales (outside group)	127	7,761,000,000	4,787,000,000	7,568,000,000	4,278,000,000
3 Income from the use of own products, goods and services	128	9,000,000	4,000,000	6,000,000	3,000,000
4 Other operating income with undertakings within the group	129	13,000,000	2,000,000	16,000,000	13,000,000
5 Other operating income (outside the group)	130	104,000,000	39,000,000	138,000,000	78,000,000
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	8,347,000,000	4,862,000,000	9,010,000,000	5,120,000,000
1 Changes in inventories of work in progress and finished goods	132	-213,000,000	-147,000,000	-247,000,000	-770,000,000
2 Material costs (ADP 134 to 136)	133	7,164,000,000	4,356,000,000	7,698,000,000	5,200,000,000
a) Costs of raw materials and consumables	134	4,459,000,000	3,101,000,000	2,055,000,000	1,886,000,000
b) Costs of goods sold	135	1,572,000,000	600,000,000	4,667,000,000	2,750,000,000
c) Other external costs	136	1,133,000,000	655,000,000	976,000,000	564,000,000
3 Staff costs (ADP 138 to 140)	137	450,000,000	267,000,000	446,000,000	259,000,000
a) Net salaries and wages	138	256,000,000	148,000,000	264,000,000	151,000,000
b) Tax and contributions from salary costs	139	127,000,000	79,000,000	121,000,000	73,000,000
c) Contributions on salaries	140	67,000,000	40,000,000	61,000,000	35,000,000
4 Depreciation	141	790,000,000	399,000,000	768,000,000	395,000,000
5 Other costs	142	340,000,000	144,000,000	474,000,000	257,000,000
6 Value adjustments (ADP 144+145)	143	-120,000,000	-75,000,000	79,000,000	29,000,000
a) fixed assets other than financial assets	144	-7,000,000	-7,000,000	0	0
b) current assets other than financial assets	145	-113,000,000	-68,000,000	79,000,000	29,000,000
7 Provisions (ADP 147 to 152)	146	-64,000,000	-82,000,000	-208,000,000	-250,000,000
a) Provisions for pensions, termination benefits and similar	147	-4,000,000	-1,000,000	20,000,000	-36,000,000
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	-11,000,000	-9,000,000	-23,000,000	-25,000,000
d) Provisions for renewal of natural resources	150	-41,000,000	-67,000,000	-199,000,000	-183,000,000
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	-8,000,000	-5,000,000	-6,000,000	-6,000,000
8 Other operating expenses	153	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	473,000,000	179,000,000	124,000,000	89,000,000
1 Income from investments in holdings (shares) of undertakings within the group	155	214,000,000	213,000,000	63,000,000	63,000,000
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	2,000,000	1,000,000	1,000,000	0
4 Other interest income from operations with undertakings within the group	158	13,000,000	6,000,000	12,000,000	6,000,000
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	223,000,000	1,000,000	12,000,000	5,000,000
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	1,000,000	0	2,000,000	1,000,000
8 Exchange rate differences and other financial income	162	20,000,000	-42,000,000	34,000,000	14,000,000
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	108,000,000	41,000,000	90,000,000	30,000,000
1 Interest expenses and similar expenses with undertakings within the group	166	1,000,000	0	2,000,000	1,000,000
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	19,000,000	4,000,000	2,000,000	2,000,000
3 Interest expenses and similar expenses	168	11,000,000	22,000,000	67,000,000	33,000,000
4 Exchange rate differences and other expenses	169	46,000,000	22,000,000	18,000,000	-6,000,000
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	-8,000,000	0	0
7 Other financial expenses	172	31,000,000	1,000,000	1,000,000	0
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	5,000,000
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	18,000,000	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	9,544,000,000	5,705,000,000	9,352,000,000	5,331,000,000
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	8,455,000,000	4,903,000,000	9,118,000,000	5,150,000,000
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	1,089,000,000	802,000,000	234,000,000	181,000,000
1 Pre-tax profit (ADP 177-178)	180	1,089,000,000	802,000,000	234,000,000	181,000,000
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	175,000,000	112,000,000	32,000,000	22,000,000
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	914,000,000	690,000,000	202,000,000	159,000,000
1 Profit for the period (ADP 179-182)	184	914,000,000	690,000,000	202,000,000	159,000,000
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	914,000,000	690,000,000	202,000,000	159,000,000
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	5,000,000	3,000,000	72,000,000	28,000,000
1 Exchange rate differences from translation of foreign operations	204	24,000,000	51,000,000	0	-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	-19,000,000	-48,000,000	72,000,000	42,000,000
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	5,000,000	3,000,000	72,000,000	28,000,000
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	919,000,000	693,000,000	274,000,000	187,000,000
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 30.6.2019.

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	1,089,000,000	234,000,000
2 Adjustments (ADP 003 to 010):	002	364,000,000	570,000,000
a) Depreciation	003	790,000,000	768,000,000
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-122,000,000	76,000,000
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-103,000,000	10,000,000
d) Interest and dividend income	006	1,000,000	41,000,000
e) Interest expenses	007	-201,000,000	
f) Provisions	008	-73,000,000	-208,000,000
g) Exchange rate differences (unrealised)	009	44,000,000	-18,000,000
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	28,000,000	-99,000,000
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	1,453,000,000	804,000,000
3 Changes in the working capital (ADP 013 to 016)	012	-170,000,000	391,000,000
a) Increase or decrease in short-term liabilities	013	1,147,000,000	1,020,000,000
b) Increase or decrease in short-term receivables	014	-605,000,000	-267,000,000
c) Increase or decrease in inventories	015	-712,000,000	-362,000,000
d) Other increase or decrease in working capital	016		
II Cash from operations (ADP 011+012)	017	1,283,000,000	1,195,000,000
4 Interest paid	018	0	0
5 Income tax paid	019	0	-4,000,000
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	1,283,000,000	1,191,000,000
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	3,000,000	4,000,000
2 Cash receipts from sales of financial instruments	022		
3 Interest received	023	17,000,000	31,000,000
4 Dividends received	024	1,000,000	
5 Cash receipts from repayment of loans and deposits	025		
6 Other cash receipts from investment activities	026		38,000,000
III Total cash receipts from investment activities (ADP 021 to 026)	027	21,000,000	73,000,000
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-563,000,000	-1,080,000,000
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030	-81,000,000	-183,000,000
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032		
IV Total cash payments from investment activities (ADP 028 to 032)	033	-644,000,000	-1,263,000,000
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-623,000,000	-1,190,000,000
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	582,000,000
4 Other cash receipts from financing activities	038	83,000,000	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	83,000,000	582,000,000

1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-737,000,000	-225,000,000
2 Cash payments for dividends	041		
3 Cash payments for finance lease	042		-37,000,000
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043		
5 Other cash payments from financing activities	044		
VI Total cash payments from financing activities (ADP 040 to 044)	045	-737,000,000	-262,000,000
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-654,000,000	320,000,000
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	18,000,000	3,000,000
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	24,000,000	324,000,000
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	365,000,000	335,000,000
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	389,000,000	659,000,000

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2019 to 30.6.2019

in MDK

Item	ADP code	Attributable to owners of the parent																
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible net)	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	Minority non-controlling interest	Total capital and reserves	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3+7+8+9+10+11+12+13)	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	57,000,000	0	57,000,000	0	57,000,000	
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	57,000,000	1,483,000,000	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	914,000,000	914,000,000	0	914,000,000		
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	24,000,000	0	0	0	0	0	24,000,000	0	24,000,000		
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		
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	-19,000,000	0	0	0	-19,000,000	0	-19,000,000		
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		
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		
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 Realisation of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of shares in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	-812,000,000	-812,000,000	0	-812,000,000		
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	-1,426,000,000		
21 Transfer to reserves according to the annual schedule	21	0	0	71,000,000	0	0	0	0	0	0	0	0	-71,000,000	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		
23 Balance on the last day of the previous business year reporting period (ADP 01-22)	23	9,000,000,000	0	99,000,000	0	0	0	1,162,000,000	0	279,000,000	0	0	900,000,000	914,000,000	12,040,000,000	0	12,040,000,000	
APPROACH TO THE STATEMENT OF CHANGES IN EQUITY TO BE FILED IN BY COMPANIES THAT DRAW UP FINANCIAL STATEMENTS IN ACCORDANCE WITH THE IFRS																		
1 OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	24,000,000	0	-19,000,000	0	0	0	0	5,000,000	0	5,000,000	
2 COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 04-24)	25	0	0	0	0	0	0	24,000,000	0	-19,000,000	0	0	0	914,000,000	919,000,000	0	919,000,000	
3 TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	71,000,000	0	0	0	0	0	0	0	0	0	-543,000,000	-1,426,000,000	-812,000,000	-812,000,000	
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	1,164,000,000	0	135,000,000	0	0	600,000,000	1,234,000,000	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	1,164,000,000	0	135,000,000	0	0	600,000,000	1,234,000,000	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	202,000,000	202,000,000	0	202,000,000	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	72,000,000	0	0	0	72,000,000	0	72,000,000		
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		
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		
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 Realisation of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of shares in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	-1,250,000,000	-1,250,000,000	0	-1,250,000,000		
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	-1,334,000,000		
21 Transfer to reserves according to the annual schedule	47	0	0	67,000,000	0	0	0	0	0	0	0	0	-67,000,000	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		
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	9,000,000,000	0	166,000,000	0	0	0	1,184,000,000	0	207,000,000	0	0	817,000,000	202,000,000	11,376,000,000	0	11,376,000,000	
APPROACH TO THE STATEMENT OF CHANGES IN EQUITY TO BE FILED IN BY COMPANIES THAT DRAW UP FINANCIAL STATEMENTS IN ACCORDANCE WITH THE IFRS																		
1 OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	0	0	72,000,000	0	0	0	0	72,000,000	0	72,000,000	
2 COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31-50)	51	0	0	0	0	0	0	0	0	72,000,000	0	0	0	202,000,000	274,000,000	0	274,000,000	
3 TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	67,000,000	0	0	0	0	0	0	0	0	0	-1,700,000,000	-1,250,000,000	-1,250,000,000	-1,250,000,000	

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 - 30 June 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. Q2 and H1 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. Q2 and H1 2019 Financial Report in details presents significant business events as of 30 June 2019.

Annual financial statement for year end 2018 and INA, d.d. Q2 and H1 2019 Financial Report at 30 June are available on www.ina.hr.



**INA, D.D.
Q2 & H1 2019
FINANCIAL REPORT**

INA, d.d. financial results (IFRS)

Q2 2018	Q2 2019	HRK mln	H1 2018	H1 2019	%
5,481	5,143	Net sales revenues*	8,945	9,068	1
1,056	512	EBITDA (1)	1,507	986	(35)
1,056	512	EBITDA excl. special items (2)	1,507	986	(35)
664	117	Profit from operations	724	218	(70)
664	117	Profit from operations excl. special items (2)	724	218	(70)
138	59	Net income from financial activities	365	34	(91)
690	159	Profit for the period attributable to Owners of the Company	914	202	(78)
690	159	Profit for the period excl. special items (2)	914	202	(78)
1,387	(479)	Net operating cash flow	1,283	1,191	(7)
Earnings per share					
69.0	15.9	Basic and diluted earnings per share (HRK per share)	91.4	20.2	(78)
583	1,628	Net debt	583	1,628	179
4.6	12.5	Net gearing (%)	4.6	12.5	
310	539	CAPEX	500	1,081	116

Q2 2018	Q2 2019	USD mln (3)	H1 2018	H1 2019	%
885	779	Net sales revenues*	1,461	1,381	(5)
170	78	EBITDA (1)	246	150	(39)
170	78	EBITDA excl. special items (2)	246	150	(39)
107	18	Profit from operations	118	33	(72)
107	18	Profit from operations excl. special items (2)	118	33	(72)
22	9	Net income from financial activities	60	5	(92)
111	24	Profit for the period attributable to Owners of the Company	149	31	(79)
111	24	Profit for the period excl. special items (2)	149	31	(79)
224	(73)	Net operating cash flow	210	181	(14)
Earnings per share					
11.1	2.0	Basic and diluted earnings per share (USD per share)	14.9	3.1	(79)
92	251	Net debt	92	251	173
50	82	CAPEX	82	165	101

* Related to Revenue from contracts with customers

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

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

(3) In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q2 2018 – 6.20 HRK/USD; Q2 2019 – 6.56 HRK/USD; for H1 2018 – 6.34 HRK/USD; for H1 2019 – 6.56 HRK/USD; as at 31 December 2018 – 6.47 HRK/USD; as at 30 June 2019 – 6.50 HRK/USD

INA, d.d. revenues remained stable in H1 2019 despite 7% lower Brent crude and regular comprehensive turnaround in Rijeka Refinery. EBITDA excluding special items decreased by 35% to HRK 986 million while net profit excluding special items decreased to HRK 218 million, being below previous year H1 realisation.

Exploration and Production EBITDA excluding special items decreased by 18% to HRK 1,187 million with slightly lower realized hydrocarbon price (-2% year-on-year in USD terms) and 2% lower production at around 35 mboepd. Crude oil production was higher in Croatia and Egypt, driven by increased development activities and higher investments. Refining and Marketing including Consumer Services and Retail EBITDA excluding special items deteriorate. The main result driver was deteriorated refining environment.

Compared to H1 2018, CAPEX more than doubled to the level of HRK 1,081 million, mainly driven by Rijeka Refinery turnaround. Net gearing further increased to 12.5% with net debt at HRK 1,628 million.

Non-consolidated Statement of Profit or Loss

For the period ended 30 June 2018 and 2019 (in HRK millions)

Q2 2018	Q2 2019		H1 2018	H1 2019	%
5,481	5,143	Revenue from contracts with customers	8,945	9,068	1
4	3	Capitalised value of own performance	9	6	(33)
41	91	Other operating income	117	154	32
5,526	5,237	Total operating income	9,071	9,228	2
147	770	Changes in inventories of finished products and work in progress	213	247	16
(3,101)	(1,886)	Cost of raw materials and consumables	(4,459)	(2,055)	(54)
(392)	(395)	Depreciation, amortisation and impairment (net)*	(783)	(768)	(2)
(655)	(564)	Other material costs	(1,132)	(976)	(14)
(177)	(286)	Service costs	(347)	(476)	37
(234)	(230)	Staff costs	(444)	(444)	0
(600)	(2,750)	Cost of other goods sold	(1,572)	(4,667)	197
68	(29)	Impairment charges (net)*	113	(79)	n.a.
82	250	Provision for charges and risks (net)	64	208	225
(4,862)	(5,120)	Operating expenses	(8,347)	(9,010)	8
664	117	Profit from operations	724	218	(70)
179	89	Finance income	473	124	(74)
(41)	(30)	Finance costs	(108)	(90)	(17)
138	59	Net income from financial activities	365	34	(91)
-	5	Share of net loss of joint ventures accounted for using the equity method	-	(18)	n.a.
802	181	Profit before tax	1,089	234	(79)
(112)	(22)	Income tax expense	(175)	(32)	(82)
690	159	Profit for the period	914	202	(78)
		Attributable to:			
690	159	Owners of the Company	914	202	(78)
690	159		914	202	(78)
		Earnings per share			
69.0	15.9	Basic and diluted earnings per share (HRK per share)	91.4	20.2	(78)

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

Non-consolidated Statement of Financial Position

At 31 December 2018 and 30 June 2019 (in HRK millions)

	31 December 2018	30 June 2019	%
Assets			
Non-current assets			
Intangible assets	431	397	(8)
Intangible assets - ROU	-	13	n.a.
Property, plant and equipment	10,586	10,894	3
Property, plant and equipment - ROU	-	405	n.a.
Investment in subsidiaries	1,960	1,983	1
Investments in associates and joint ventures	150	132	(12)
Other investments	752	830	10
Long-term receivables and other assets	743	590	(21)
Deferred tax	1,089	1,041	(4)
Non-current financial assets	479	571	19
Total non-current assets	16,190	16,856	4
Current assets			
Inventories	2,351	2,778	18
Intercompany receivables	256	292	14
Trade receivables, net	1,490	1,693	14
Other receivables	73	71	(3)
Marketable securities	27	26	(4)
Other current assets	165	119	(28)
Cash and cash equivalents	335	659	97
Current assets	4,697	5,638	20
Assets held for sale	-	4	n.a.
Total current assets	4,697	5,642	20
Total assets	20,887	22,498	8
Equity and liabilities			
Capital and reserves			
Share capital	9,000	9,000	0
Legal reserves	99	166	68
Revaluation reserve	135	207	53
Other reserves	1,184	1,184	0
Retained earnings	1,934	819	(58)
Total equity	12,352	11,376	(8)
Non-current liabilities			
Long-term lease liabilities	-	131	n.a.
Intercompany payables	-	220	n.a.
Other non-current liabilities	44	42	(5)
Employee benefits obligation	33	29	(12)
Provisions	3,599	3,600	0
Total non-current liabilities	3,676	4,022	9
Current liabilities			
Bank loans and overdrafts	1,767	2,287	29
Current portion of long-term loans	125	-	n.a.
Current portion of long-term lease liabilities	-	42	n.a.
Intercompany payables	584	593	2
Trade payables	1,242	1,819	46
Taxes and contributions	514	747	45
Other current liabilities	395	1,536	289
Employee benefits obligation	3	3	0
Provisions	229	73	(68)
Total current liabilities	4,859	7,100	46
Total liabilities	8,535	11,122	30
Total equity and liabilities	20,887	22,498	8

Non-consolidated Cash Flow Statement

For the period ended 30 June 2018 and 2019 (in HRK millions)

Q2 2018	Q2 2019		H1 2018	H1 2019	%
690	159	Profit for the period	914	202	(78)
		Adjustments for:			
392	395	Depreciation, amortisation and impairment (net)	783	768	(2)
112	22	Tax expenses recognized in income statement	175	32	(82)
(68)	29	Impairment charges (net)	(113)	79	n.a.
-	(1)	Loss/(gain) on sale of property, plant and equipment	(2)	(3)	50
(9)	(8)	Loss/(gain) on sale of investments and shares	(9)	(8)	(11)
69	(28)	Foreign exchange loss/(gain)	44	(18)	n.a.
2	(2)	Interest expense /(gain) (net)	1	(2)	n.a.
(1)	-	Income from reversal of impaired loans	(221)	-	n.a.
(94)	(5)	Impairment of/(Income from reversal of impaired) investment in subsidiaries	(94)	18	n.a.
(117)	(66)	Other finance costs recognised in profit and loss	(115)	(65)	(43)
(91)	(250)	(Decrease)/increase in provisions	(73)	(208)	185
11	24	Decommissioning interests	20	43	115
110	(31)	Net gain/loss on derivative financial instruments and hedge transactions	139	(34)	n.a.
4	1	Other non-cash items	4	-	n.a.
1,010	239	Operating cash flow before working capital changes	1,453	804	(45)
		Movements in working capital			
87	(847)	(Increase)/decrease in inventories	(712)	(362)	(49)
(118)	(173)	(Increase) /decrease in receivables and prepayments	(605)	(267)	(56)
408	306	(Decrease)/increase in trade and other payables	1,147	1,020	(11)
1,387	(475)	Cash generated from operations	1,283	1,195	(7)
-	(4)	Taxes paid	-	(4)	n.a.
1,387	(479)	Net cash inflow from operating activities	1,283	1,191	(7)
		Cash flows used in investing activities			
(302)	(496)	Capital expenditures, exploration and development costs	(513)	(1,016)	98
(16)	(22)	Payment for intangible assets	(50)	(64)	28
1	3	Proceeds from sale of non-current assets	3	4	33
4	-	Payments related to sale of subsidiary	-	-	n.a.
		Dividends received from companies classified as non-current financial assets and from other companies	1	-	n.a.
-	38	Payments received from subsidiaries	-	38	n.a.
11	16	Interest received and other financial income	17	31	82
(542)	(13)	Loans and other investments (net)	(81)	(183)	126
(843)	(474)	Net cash used for investing activities	(623)	(1,190)	91
		Cash flows from financing activities			
-	-	Repayment of long term borrowings	(59)	(126)	114
(371)	1,279	Change in short term borrowings (net)	(665)	582	n.a.
-	(1)	Finance lease repayments	-	(37)	n.a.
(2)	(90)	Interest paid on long-term loans	(3)	(90)	2,900
58	-	Other long-term liabilities, net	83	-	n.a.
(6)	(3)	Interest paid on short term loans and other financing charges	(10)	(9)	(10)
(321)	1,185	Net cash from financing activities	(654)	320	n.a.
223	232	Net increase in cash and cash equivalents	6	321	5,250
156	425	At the beginning of the period	365	335	(8)
9	2	Effect of foreign exchange rate changes	18	3	(83)
388	659	At the end of period	389	659	69

Financial overview

Statement of profit or loss

Revenues from contract with customers in H1 2019 amounted to HRK 9,068 million and were 1% above the H1 2018 level, triggered mainly by higher wholesales volumes on domestic and B&H market.

Costs of raw materials and consumables were 54% lower than the H1 2018 level at HRK 2,055 million, resulting mainly from lower processing triggered by Rijeka Refinery turnaround.

Costs of other goods sold in H1 2019 recorded an increase of 197% compared to H1 2018, and amounted to HRK 4,667 million resulting from higher import of goods (primarily diesel and gasoline) to meet market demand.

Other **operating costs** realized in H1 2019 include:

- Other material costs amounted to HRK 976 million, a 14% decrease compared to H1 2018 mainly related to lower transportation costs
- Service costs in the amount of HRK 476 million raised 37% above the last year's level
- Depreciation, amortisation and impairment (net) was 2% lower compared to H1 2018 and amounted to HRK 768 million
- Impairment and provisions had a positive effect in the amount of HRK 129 million mainly related to reversal of EGPC receivables

Staff costs in the amount HRK 444 million were in line compared to H1 2018.

Net result from financial activities in H1 2019 is positive in the amount of HRK 34 million, compared to HRK 365 million of net income from financial activities in H1 2018.

Statement of financial position

Total assets of INA, d.d., as at 30 June 2019 amounted to HRK 22,498 million, 8% higher compared to 31 December 2018.

Property, plant and equipment amounted to HRK 10,894 million and were 3% higher than 31 December 2018.

Trade receivables, net outside of INA Group amounted to HRK 1,693 million and were 14% higher compared to 31 December 2018.

Total liabilities amounted to HRK 11,122 million and were 30% higher compared to 31 December 2018.

Net indebtedness of INA, d.d., amounted to HRK 1,628 million as at 30 June 2019 which is 179% higher compared to 31 December 2018. Gearing ratio increased from 11.2% as at 31 December 2018 to 12.5% as at 30 June 2019.

As at 30 June 2019 **trade payables** outside of INA Group amounted HRK 1,819 million, which is an increase of 46% compared to the 31 December 2018.

Cash flow

The operating cash flow before working capital changes amounted to HRK 804 million in H1 2019, which is decrease of 45% compared to the same period last year.

Movements in working capital affected the operating cash flow positively by HRK 391 million, primarily due to:

- Increase value of inventories by HRK 362 million mainly related to refinery turnaround and upcoming mid-season
- Increase in receivables by HRK 267 million related to domestic operations
- Payables increase by HRK 1,020 million related to crude oil import

In H1 2018 no taxes were paid having no influence on the operating cash flow, while in H1 2019 taxed paid influenced the operating cash flow negatively by HRK 4 million. All the above factors resulted in HRK 1,191 million net cash inflows from operating activities generated by INA, d.d. in H1 2019.

Restatement

Gas trading operations have been moved from 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 Q2 & H1 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 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