

Annex 1**ISSUER'S GENERAL DATA**

Reporting period:

1.1.2019

to

30.9.2019

Year:

2019

Quarter:

3.

Quarterly financial statements

Registration number (MB):

03586243

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

080000604

Personal identification
number (OIB):

27759560625

LEI:

213800RUSOIJPD19H13

Institution
code:

2560

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

Postcode and town:

10 020

ZAGREB

Street and house number: **Avenija Većeslava Holjevca 10**E-mail address: investitori@ina.hrWeb address: www.ina.hrNumber of employees
(end of the reporting

3708

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

Yes

(Yes/No)

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

(name of the bookkeeping firm)

Contact person: **Josip Vargašević**
(only name and surname of the contact person)

Telephone: **091 495 7186**

E-mail address: **Josip.Vargasevic@trs.ina.hr**

Audit firm: **ERNST & YOUNG d.o.o. Zagreb**
(name of the audit firm)

Certified auditor: **Berislav Horvat**
(name and surname)

BALANCE SHEET
balance as at 30.9.2019

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	16,802,000,000
I INTANGIBLE ASSETS (ADP 004 to 009)	003	456,000,000	451,000,000
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	206,000,000	148,000,000
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	25,000,000	27,000,000
5 Intangible assets in preparation	008	225,000,000	276,000,000
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	10,766,000,000	11,374,000,000
1 Land	011	1,008,000,000	1,006,000,000
2 Buildings	012	4,697,000,000	4,454,000,000
3 Plant and equipment	013	2,244,000,000	2,474,000,000
4 Tools, working inventory and transportation assets	014	243,000,000	283,000,000
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	180,000,000	34,000,000
7 Tangible assets in preparation	017	2,388,000,000	2,651,000,000
8 Other tangible assets	018	6,000,000	472,000,000
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	3,341,000,000	3,485,000,000
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	752,000,000
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	157,000,000	142,000,000
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	22,000,000
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	579,000,000
IV RECEIVABLES (ADP 032 to 035)	031	538,000,000	546,000,000
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	41,000,000
4 Other receivables	035	476,000,000	494,000,000
V DEFERRED TAX ASSETS	036	1,089,000,000	946,000,000
C) CURRENT ASSETS (ADP 038+046+053+063)	037	4,663,000,000	5,576,000,000
I INVENTORIES (ADP 039 to 045)	038	2,351,000,000	2,704,000,000
1 Raw materials and consumables	039	445,000,000	1,031,000,000
2 Work in progress	040	874,000,000	991,000,000
3 Finished goods	041	860,000,000	537,000,000
4 Merchandise	042	172,000,000	144,000,000
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	1,000,000
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1,819,000,000	2,391,000,000
1 Receivables from undertakings within the group	047	256,000,000	314,000,000
2 Receivables from companies linked by virtue of participating interests	048	0	0

3 Customer receivables	049	1,490,000,000	1,934,000,000
4 Receivables from employees and members of the undertaking	050	1,000,000	1,000,000
5 Receivables from government and other institutions	051	2,000,000	11,000,000
6 Other receivables	052	70,000,000	131,000,000
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	158,000,000	84,000,000
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	31,000,000
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	2,000,000
9 Other financial assets	062	113,000,000	24,000,000
IV CASH AT BANK AND IN HAND	063	335,000,000	397,000,000
D) PREPAID EXPENSES AND ACCRUED INCOME	064	34,000,000	50,000,000
E) TOTAL ASSETS (ADP 001+002+037+064)	065	20,887,000,000	22,428,000,000
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	12,352,000,000	11,846,000,000
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	1,382,000,000
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	1,216,000,000
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	135,000,000	217,000,000
1 Fair value of financial assets available for sale	078	135,000,000	217,000,000
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	630,000,000
1 Profit for the business year	085	1,334,000,000	630,000,000
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	3,734,000,000
1 Provisions for pensions, termination benefits and similar obligations	089	37,000,000	48,000,000
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	3,101,000,000
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	568,000,000	578,000,000
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	44,000,000	428,000,000
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	213,000,000
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	174,000,000
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	41,000,000
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	4,518,000,000	6,378,000,000
1 Liabilities to undertakings within the group	108	390,000,000	284,000,000
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	194,000,000	310,000,000
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	53,000,000
6 Liabilities to banks and other financial institutions	113	1,892,000,000	3,309,000,000
7 Liabilities for advance payments	114	38,000,000	49,000,000
8 Liabilities to suppliers	115	1,242,000,000	1,555,000,000
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	58,000,000	35,000,000
11 Taxes, contributions and similar liabilities	118	514,000,000	654,000,000
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	129,000,000
E) ACCRUALS AND DEFERRED INCOME	122	110,000,000	42,000,000
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	20,887,000,000	22,428,000,000
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 30.9.2019

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	15,490,000,000	6,419,000,000	15,651,000,000	6,423,000,000
1 Income from sales with undertakings within the group	126	2,030,000,000	846,000,000	2,431,000,000	931,000,000
2 Income from sales (outside group)	127	13,288,000,000	5,527,000,000	13,012,000,000	5,444,000,000
3 Income from the use of own products, goods and services	128	12,000,000	3,000,000	9,000,000	3,000,000
4 Other operating income with undertakings within the group	129	17,000,000	3,000,000	19,000,000	3,000,000
5 Other operating income (outside the group)	130	143,000,000	40,000,000	180,000,000	42,000,000
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	14,205,000,000	5,858,000,000	14,870,000,000	5,860,000,000
1 Changes in inventories of work in progress and finished goods	132	-522,000,000	-309,000,000	170,000,000	417,000,000
2 Material costs (ADP 134 to 136)	133	12,522,000,000	5,358,000,000	12,386,000,000	4,688,000,000
a) Costs of raw materials and consumables	134	8,164,000,000	3,705,000,000	5,135,000,000	3,080,000,000
b) Costs of goods sold	135	2,637,000,000	1,065,000,000	5,807,000,000	1,140,000,000
c) Other external costs	136	1,721,000,000	588,000,000	1,444,000,000	468,000,000
3 Staff costs (ADP 138 to 140)	137	631,000,000	181,000,000	622,000,000	176,000,000
a) Net salaries and wages	138	364,000,000	108,000,000	369,000,000	105,000,000
b) Tax and contributions from salary costs	139	174,000,000	47,000,000	168,000,000	47,000,000
c) Contributions on salaries	140	93,000,000	26,000,000	85,000,000	24,000,000
4 Depreciation	141	1,173,000,000	383,000,000	1,163,000,000	395,000,000
5 Other costs	142	519,000,000	179,000,000	671,000,000	197,000,000
6 Value adjustments (ADP 144+145)	143	-102,000,000	18,000,000	72,000,000	-7,000,000
a) fixed assets other than financial assets	144	-3,000,000	4,000,000	4,000,000	4,000,000
b) current assets other than financial assets	145	-99,000,000	14,000,000	68,000,000	-11,000,000
7 Provisions (ADP 147 to 152)	146	-16,000,000	48,000,000	-214,000,000	-6,000,000
a) Provisions for pensions, termination benefits and similar obligations	147	-4,000,000	0	11,000,000	-9,000,000
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	-11,000,000	0	-23,000,000	0
d) Provisions for renewal of natural resources	150	-72,000,000	-31,000,000	-190,000,000	9,000,000
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	71,000,000	79,000,000	-12,000,000	-6,000,000
8 Other operating expenses	153	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	480,000,000	7,000,000	173,000,000	49,000,000
1 Income from investments in holdings (shares) of undertakings within the group	155	214,000,000	0	63,000,000	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	3,000,000	1,000,000	1,000,000	0
4 Other interest income from operations with undertakings within the group	158	18,000,000	6,000,000	18,000,000	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	225,000,000	2,000,000	1,000,000	7,000,000
6 Income from other long-term financial investments and loans	160	0	0	10,000,000	10,000,000
7 Other interest income	161	2,000,000	1,000,000	3,000,000	1,000,000
8 Exchange rate differences and other financial income	162	17,000,000	-3,000,000	59,000,000	25,000,000
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	1,000,000	0	18,000,000	6,000,000
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	133,000,000	25,000,000	183,000,000	93,000,000
1 Interest expenses and similar expenses with undertakings within the group	166	2,000,000	1,000,000	4,000,000	2,000,000
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	15,000,000	-4,000,000	1,000,000	-1,000,000
3 Interest expenses and similar expenses	168	65,000,000	54,000,000	103,000,000	36,000,000
4 Exchange rate differences and other expenses	169	49,000,000	3,000,000	74,000,000	56,000,000
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	2,000,000	-29,000,000	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	2,000,000
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	16,000,000	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	15,970,000,000	6,426,000,000	15,824,000,000	6,474,000,000
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	14,338,000,000	5,883,000,000	15,069,000,000	5,953,000,000
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	1,632,000,000	543,000,000	755,000,000	521,000,000
1 Pre-tax profit (ADP 177-178)	180	1,632,000,000	543,000,000	755,000,000	521,000,000
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	276,000,000	101,000,000	125,000,000	93,000,000
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	1,356,000,000	442,000,000	630,000,000	428,000,000
1 Profit for the period (ADP 179-182)	184	1,356,000,000	442,000,000	630,000,000	428,000,000
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	1,356,000,000	442,000,000	630,000,000	428,000,000
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-88,000,000	-93,000,000	114,000,000	42,000,000
1 Exchange rate differences from translation of foreign operations	204	39,000,000	15,000,000	32,000,000	32,000,000
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	-127,000,000	-108,000,000	82,000,000	10,000,000
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	-88,000,000	-93,000,000	114,000,000	42,000,000
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	1,268,000,000	349,000,000	744,000,000	470,000,000
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 30.9.2019.

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	1,632,000,000	755,000,000
2 Adjustments (ADP 003 to 010):	002	895,000,000	998,000,000
a) Depreciation	003	1,173,000,000	1,163,000,000
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-105,000,000	65,000,000
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	0
e) Interest expenses	007	34,000,000	62,000,000
f) Provisions	008	-27,000,000	-214,000,000
g) Exchange rate differences (unrealised)	009	46,000,000	25,000,000
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-226,000,000	-103,000,000
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	2,527,000,000	1,753,000,000
3 Changes in the working capital (ADP 013 to 016)	012	-430,000,000	-232,000,000
a) Increase or decrease in short-term liabilities	013	1,495,000,000	710,000,000
b) Increase or decrease in short-term receivables	014	-825,000,000	-633,000,000
c) Increase or decrease in inventories	015	-1,100,000,000	-309,000,000
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	2,097,000,000	1,521,000,000
4 Interest paid	018	0	0
5 Income tax paid	019	-7,000,000	-4,000,000
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	2,090,000,000	1,517,000,000
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	4,000,000	10,000,000
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	25,000,000	51,000,000
4 Dividends received	024	1,000,000	38,000,000
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	30,000,000	99,000,000
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-940,000,000	-1,398,000,000
2 Cash payments for the acquisition of financial instruments	029	0	-18,000,000
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-106,000,000	-169,000,000
IV Total cash payments from investment activities (ADP 028 to 032)	033	-1,046,000,000	-1,585,000,000
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-1,016,000,000	-1,486,000,000
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	25,000,000	1,593,000,000
4 Other cash receipts from financing activities	038	53,000,000	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	78,000,000	1,593,000,000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-127,000,000	-243,000,000

2 Cash payments for dividends	041	-812,000,000	-1,250,000,000
3 Cash payments for finance lease	042	0	-61,000,000
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	-16,000,000	-11,000,000
VI Total cash payments from financing activities (ADP 040 to 044)	045	-955,000,000	-1,565,000,000
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-877,000,000	28,000,000
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	24,000,000	3,000,000
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	221,000,000	62,000,000
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	586,000,000	397,000,000

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2018 to 30.9.2018

in HK\$

Item	ADP code	Initial (subscribed) capital	Attributable to owners of the parent															
			Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Reservations	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 (2 to 15)	17	18 (16+17)	
Previous period																		
1 Balance on the first day of the previous business year	01	9,000,000,000		28,000,000					1,138,000,000		289,000,000			1,426,000,000	11,881,000,000		11,881,000,000	
2 Changes in accounting policies	02													57,000,000			57,000,000	
3 Correction of errors	03																	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	9,000,000,000		28,000,000					1,138,000,000		289,000,000			57,000,000	11,938,000,000		11,938,000,000	
5 Profit/loss of the period	05													1,356,000,000	1,356,000,000		1,356,000,000	
6 Exchange rate differences from translation of foreign operations	06								29,000,000						29,000,000		29,000,000	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07																	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08																	
9 Profit or loss arising from effective cash flow hedge	09																	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10																	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11																	
12 Actual gains/losses on the defined benefit obligation	12																	
13 Other changes in equity unrelated to reserves	13																	
14 Tax on transactions recognised directly in equity	14																	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15																	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16																	
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17																	
18 Redemption of treasury shares/holdings	18																	
19 Payment of share in profit/dividend	19													-812,000,000	-812,000,000		-812,000,000	
20 Other distribution to owners	20													1,426,000,000	1,426,000,000		1,426,000,000	
21 Transfer to reserves according to the annual schedule	21				71,000,000									-71,000,000			-71,000,000	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22																	
23 Balance on the last day of the previous business year reporting period (ADP 01 to 22)	23	9,000,000,000		99,000,000					1,176,000,000		183,000,000			600,000,000	12,394,000,000		12,394,000,000	
PERIODS TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by subsidiaries that draw up financial statements in accordance with the IFRS)																		
1 OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 08 to 14)	24								36,000,000		-126,000,000				48,000,000		48,000,000	
2 COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05 to 24)	25								36,000,000		-126,000,000			1,356,000,000	1,266,000,000		1,266,000,000	
3 TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26				71,000,000									543,000,000	-1,426,000,000	-812,000,000	-1,695,000,000	
Current period																		
1 Balance on the first day of the current business year	27	9,000,000,000		99,000,000					1,184,000,000		135,000,000			600,000,000	12,352,000,000		12,352,000,000	
2 Changes in accounting policies	28																	
3 Correction of errors	29																	
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	9,000,000,000		99,000,000					1,184,000,000		135,000,000			600,000,000	12,352,000,000		12,352,000,000	
5 Profit/loss of the period	31													630,000,000	630,000,000		630,000,000	
6 Exchange rate differences from translation of foreign operations	32								32,000,000						32,000,000		32,000,000	
7 Changes in revaluation reserves of fixed tangible and intangible assets	33																	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34																	
9 Profit or loss arising from effective cash flow hedge	35																	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36																	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37																	
12 Actual gains/losses on the defined benefit obligation	38																	
13 Other changes in equity unrelated to reserves	39																	
14 Tax on transactions recognised directly in equity	40																	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41																	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42																	
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43																	
18 Redemption of treasury shares/holdings	44																	
19 Payment of share in profit/dividend	45													-1,250,000,000	-1,250,000,000		-1,250,000,000	
20 Other distribution to owners	46													1,234,000,000	1,234,000,000		1,234,000,000	
21 Transfer to reserves according to the annual schedule	47				67,000,000									-67,000,000			-67,000,000	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48																	
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	9,000,000,000		166,000,000					1,216,000,000		217,000,000			817,000,000	11,846,000,000		11,846,000,000	
PERIODS TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by subsidiaries that draw up financial statements in accordance with the IFRS)																		
1 OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 39 to 45)	50								32,000,000		82,000,000				114,000,000		114,000,000	
2 COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31 to 50)	51								32,000,000		82,000,000			630,000,000	744,000,000		744,000,000	
3 TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 45)	52				67,000,000									17,000,000	-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 September 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. Q3 and Q1 - Q3 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. Q3 and Q1 - Q3 2019 Financial Report in details presents significant business events as of 30 September 2019.

Annual financial statement for year end 2018 and INA, d.d. Q3 and Q1 - Q3 2019 Financial Report at 30 September are available on www.ina.hr.



INA, D.D.
Q3 & Q1-Q3 2019
FINANCIAL REPORT

Zagreb, October, 2019

INA, d.d. financial results (IFRS)

Q3 2018	Q3 2019	HRK mln	Q1-Q3 2018	Q1-Q3 2019	%
6,373	6,375	Net sales revenues*	15,318	15,443	1
948	962	EBITDA (1)	2,455	1,948	(21)
948	962	EBITDA excl. special items (2)	2,455	1,948	(21)
561	563	Profit/loss from operations	1,285	781	(39)
561	563	Profit/(loss) from operations excl. special items (2)	1,285	781	(39)
(18)	(44)	Net (loss)/income from financial activities	347	(10)	n.a.
442	428	Profit/(loss) for the period attributable to owners of the company	1,356	630	(54)
442	428	Profit/(loss) for the period excl. special items (2)	1,356	630	(54)
807	326	Net operating cash flow	2,090	1,517	(27)
Earnings per share					
44.2	42.8	Basic and diluted earnings/(loss) per share (HRK per share)	135.6	63.0	(54)
1,022	2,912	Net debt	1,022	2,912	185
7.6	19.7	Net gearing (%)	7.6	19.7	
361	327	CAPEX	861	1,408	64

Q3 2018	Q3 2019	USD mln (3)	Q1-Q3 2018	Q1-Q3 2019	%
1,001	960	Net sales revenues*	2,468	2,343	(5)
149	145	EBITDA (1)	396	296	(25)
149	145	EBITDA excl. special items (2)	396	296	(25)
88	85	Profit/loss from operations	207	118	(43)
88	85	Profit/(loss) from operations excl. special items (2)	207	118	(43)
(3)	(7)	Net (loss)/income from financial activities	56	(2)	n.a.
69	64	Profit/(loss) for the period attributable to owners of the company	218	96	(56)
69	64	Profit/(loss) for the period excl. special items (2)	218	96	(56)
127	49	Net operating cash flow	337	230	(32)
Earnings per share					
6.9	6.0	Basic and diluted earnings/(loss) per share (USD per share)	21.8	9.6	(56)
160	430	Net debt	160	430	169
57	49	CAPEX	139	214	54

* 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 Q3 2018 – 6.37 HRK/USD; Q3 2019 – 6.64 HRK/USD; for Q1-Q3 2018 – 6.21 HRK/USD; for Q1-Q3 2019 – 6.59 HRK/USD; as at 31 December 2018 – 6.47 HRK/USD; as at 30 September 2018 – 6.40; HRK/USD; as at 30 September 2019 – 6.78 HRK/USD

INA d.d. revenues remained stable in Q1-Q3 2019 despite 10% lower Brent crude price, reflecting improved sales performance, both wholesale and retail. At the same time, EBITDA excluding special items decreased by 21% to HRK 1,948 million while profit from operations excluding special items decreased to HRK 781 million, being below previous year Q1-Q3 realisation.

Exploration and Production EBITDA decreased by 17% to HRK 1,759 million mainly caused by lower realized hydrocarbon price (-13% year-on-year in USD terms). Overall production volumes were flat supported by higher crude oil production in Egypt, as a result of increased exploration drilling and development activities. Refining and Marketing including Consumer Services and Retail EBITDA excluding special items amounted to HRK 227 million, compared to HRK 777 million in the same period last year mainly impacted by the less favourable external environment along with the prolonged Rijeka Refinery turnaround.

CAPEX increased by 64% compared to the same period last year and amounted HRK 1,408 million, mainly driven by refining investments. Net gearing further increased to 19.7% with net debt at HRK 2,912 million.

Non-consolidated Statement of Profit or Loss

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

Q3 2018	Q3 2019		Q1-Q3 2018	Q1-Q3 2019	%
6,373	6,375	Revenue from contracts with customers	15,318	15,443	1
3	3	Capitalised value of own performance	12	9	(25)
43	45	Other operating income	160	199	24
6,419	6,423	Total operating income	15,490	15,651	1
309	(417)	Changes in inventories of finished products and work in progress	522	(170)	n.a.
(3,705)	(3,080)	Cost of raw materials and consumables	(8,164)	(5,135)	(37)
(387)	(399)	Depreciation, amortisation and impairment (net)*	(1,170)	(1,167)	(0)
(589)	(468)	Other material costs	(1,721)	(1,444)	(16)
(173)	(188)	Service costs	(520)	(664)	28
(186)	(185)	Staff costs	(630)	(629)	(0)
(1,065)	(1,140)	Cost of other goods sold	(2,637)	(5,807)	120
(14)	11	Impairment charges (net)*	99	(68)	n.a.
(48)	6	Provision for charges and risks (net)	16	214	1,238
(5,858)	(5,860)	Operating expenses	(14,205)	(14,870)	5
561	563	Profit/(loss) from operations	1,285	781	(39)
7	49	Finance income	480	173	(64)
(25)	(93)	Finance costs	(133)	(183)	38
(18)	(44)	Net income/(loss) from financial activities	347	(10)	n.a.
-	2	Share of net loss of joint ventures accounted for using the equity method	-	(16)	n.a.
543	521	Profit/(loss) before tax	1,632	755	(54)
(101)	(93)	Income tax expense	(276)	(125)	(55)
442	428	Profit/(loss) for the period	1,356	630	(54)
		Attributable to			
442	428	Owners of the Company	1,356	630	(54)
442	428		1,356	630	(54)
		Earnings per share			
44.2	42.8	Basic and diluted earnings/(loss) per share (HRK per share)	135.6	63.0	(54)

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

Non-consolidated Statement of Financial Position

At 30 September 2019 (in HRK millions)

	31 December 2018	30 September 2019	%
Assets			
Non-current assets			
Intangible assets	431	424	(2)
Property, plant and equipment	10,586	10,873	3
Property, plant and equipment - ROU	-	467	n.a.
Investment in subsidiaries	1,960	1,983	1
Investments in associates and joint ventures	150	135	(10)
Other investments	752	766	2
Long-term receivables and other assets	743	607	(18)
Deferred tax	1,089	946	(13)
Long term marketable securities	-	22	n.a.
Non-current financial assets	479	579	21
Total non-current assets	16,190	16,802	4
Current assets			
Inventories	2,351	2,703	15
Intercompany receivables	256	314	23
Trade receivables, net	1,490	1,934	30
Other receivables	73	143	96
Other current assets	165	107	(35)
Marketable securities	27	27	0
Cash and cash equivalents	335	397	19
Current assets	4,697	5,625	20
Assets held for sale	-	1	n.a.
Total current assets	4,697	5,626	20
Total assets	20,887	22,428	7
Equity and liabilities			
Capital and reserves			
Share capital	9,000	9,000	0
Legal reserves	99	166	68
Revaluation reserve	135	217	61
Other reserves	1,184	1,216	3
Retained earnings / (Deficit)	1,934	1,247	(36)
Total equity	12,352	11,846	(4)
Non-current liabilities			
Long-term lease liabilities	-	174	n.a.
Intercompany payables	-	213	n.a.
Other non-current liabilities	44	41	(7)
Employee benefits obligation	33	29	(12)
Provisions	3,599	3,614	0
Total non-current liabilities	3,676	4,071	11
Current liabilities			
Bank loans and overdrafts	1,767	3,309	87
Current portion of long-term loans	125	-	n.a.
Current portion of long-term lease liabilities	-	53	n.a.
Intercompany payables	584	594	2
Trade payables	1,242	1,555	25
Taxes and contributions	514	654	27
Other current liabilities	395	255	(35)
Employee benefits obligation	3	3	0
Provisions	229	88	(62)
Total current liabilities	4,859	6,511	34
Total liabilities	8,535	10,582	24
Total equity and liabilities	20,887	22,428	7

Non-consolidated Cash Flow Statement

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

Q3 2018	Q3 2019		Q1-Q3 2018	Q1-Q3 2019	%
442	428	Profit/(loss) for the period	1,356	630	(54)
		Adjustments for:			
387	399	Depreciation, amortisation and impairment (net)	1,170	1,167	(0)
101	93	Tax expenses recognized in income statement	276	125	(55)
14	(11)	Impairment charges (net)	(99)	68	n.a.
(1)	(4)	Loss/(gain) on sale of property, plant and equipment	(3)	(7)	133
-	-	Loss/(gain) on sale of investments and shares	(9)	(8)	(11)
2	43	Foreign exchange loss/(gain)	46	25	(46)
2	-	Interest expense /(gain) (net)	3	(2)	n.a.
221	-	Income from reversal of impaired loans	-	-	n.a.
94	(3)	Impairment of/(Income from reversal of impaired) investment in subsidiaries	-	15	n.a.
(313)	(13)	Other finance costs recognised in profit and loss	(428)	(78)	(82)
46	(6)	(Decrease)/increase in provisions	(27)	(214)	693
11	21	Decommissioning interests	31	64	106
57	2	Net gain/loss on derivative financial instruments and hedge transactions	196	(32)	n.a.
11	-	Other non-cash items	15	-	n.a.
1,074	949	Operating cash flow before working capital changes	2,527	1,753	(31)
		Movements in working capital			
(388)	53	(Increase)/decrease in inventories	(1,100)	(309)	(72)
(220)	(366)	(Increase) /decrease in receivables and prepayments	(825)	(633)	(23)
348	(310)	(Decrease)/increase in trade and other payables	1,495	710	(53)
814	326	Cash generated from operations	2,097	1,521	(27)
(7)	-	Taxes paid	(7)	(4)	(43)
807	326	Net cash inflow from/ (used in) operating activities	2,090	1,517	(27)
		Cash flows used in investing activities			
(346)	(318)	Capital expenditures, exploration and development costs	(859)	(1,334)	55
(31)	-	Payment for intangible assets	(81)	(64)	(21)
1	6	Proceeds from sale of non-current assets	4	10	150
-	(18)	Investment in securities	-	(18)	n.a.
-	10	Dividends received from companies classified as non-current financial assets and from other companies	1	10	900
-	(10)	Payments received from subsidiaries	-	28	n.a.
8	20	Interest received and other financial income	25	51	104
(25)	14	Loans and other investments (net)	(106)	(169)	59
(393)	(296)	Net cash (used in)/generated from investing activities	(1,016)	(1,486)	46
		Cash flows from financing activities			
(63)	-	Repayment of long term borrowings	(122)	(126)	3
690	1,011	Change in short term borrowings	25	1,593	6,272
(812)	(1,250)	Dividends paid	(812)	(1,250)	54
-	(24)	Finance lease repayments	-	(61)	n.a.
(2)	(27)	Interest paid on long-term loans	(5)	(117)	2,240
(30)	-	Other long-term liabilities, net	53	-	n.a.
(6)	(2)	Interest paid on short term loans and other interest charges	(16)	(11)	(31)
(223)	(292)	Net cash from financing activities	(877)	28	n.a.
191	(262)	Net (decrease)/increase in cash and cash equivalents	197	59	(70)
389	659	At the beginning of the period	365	335	(8)
6	-	Effect of foreign exchange rate changes	24	3	(88)
586	397	At the end of period	586	397	(32)

Financial overview

Statement of profit or loss

Revenues from contract with customers in Q1-Q3 2019 amounted to HRK 15,443 million and were 1% above the Q1-Q3 2018 level, triggered mainly by higher retail volumes and wholesale volumes on captive market.

Costs of raw materials and consumables were 37% lower than the Q1-Q3 2018 level at HRK (5,135) million, resulting mainly from lower processing triggered by Rijeka Refinery turnaround.

Costs of other goods sold in Q1-Q3 2019 recorded an increase of 120% compared to Q1-Q3 2018, and amounted to HRK (5,807) million resulting from higher import of goods to meet market demand.

Other **operating costs** realized in Q1-Q3 2019 include:

- Other material costs amounted to HRK (1,444) million, a 16% decrease compared to Q1-Q3 2018 mainly related to transportation costs
- Service costs in the amount of HRK (664) million raised 28% above the last year's level
- Depreciation, amortisation and impairment (net) in the amount of HRK (1,167) million was in line with previous period
- Impairment and provisions had a positive effect in the amount of HRK 146 million and were higher than Q1-Q3 2018 mainly related to reversal of EGPC receivables

Staff costs in the amount HRK (629) million were in line compared to Q1-Q3 2018.

Net result from financial activities in Q1-Q3 2019 is negative in the amount of HRK (10) million, compared to HRK 347 million of net financial profit in Q1-Q3 2018.

Statement of financial position

Total assets of INA, d.d., as at 30 September 2019 amounted to HRK 22,428 million, 7% higher compared to 31 December 2018.

Property, plant and equipment amounted to HRK 10,873 million and were 3% higher than 31 December 2018.

Trade receivables outside of INA Group amounted to HRK 1,934 million and were 30% higher compared to 31 December 2018.

Total liabilities amounted to HRK 10,582 million and were 24% higher compared to 31 December 2018.

Net indebtedness of INA, d.d., amounted to HRK 2,912 million as at 30 September 2019 which is 185% higher compared to 31 December 2018. **Gearing ratio** increased from 11.2% as at 31 December 2018 to 19.7% as at 30 September 2019.

As at 30 September 2019 **trade payables** outside of INA Group amounted HRK 1,555 million, which is an increase of 25% compared to the 31 December 2018.

Cash flow

The operating cash flow before working capital changes amounted to HRK 1,753 million in Q1-Q3 2019, which is a decrease of 31% compared to the same period last year.

Changes in working capital affected the operating cash flow negatively by HRK (232) million, primarily due to:

- Increased value of inventories in the amount of HRK (309) million mainly related to imported crude oil volume change,
- Increase in receivables and prepayments in the amount of HRK (633) million related to higher sales revenues,
- Increase in trade and other payables in the amount of HRK 710 million related to higher import of crude oil.

In Q1-Q3 2019 **taxes paid** influenced the operating cash flow negatively by HRK (4) million, while in Q1-Q3 2018 taxes paid influenced the operating cash flow by HRK (7) million. All the above factors resulted in HRK 1,517 million **net inflows from operating activities** generated by INA, d.d. in Q1-Q3 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 Q3 & Q1-Q3 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