

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2020

to

31.3.2020

Year:

2020

Quarter:

1.

Quarterly financial statements

Registration number (MB):

03586243

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

08000604

Personal identification
number (OIB):

27759560625

LEI:

213800RUSOJPD19H13

Institution
code:

2560

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

Postcode and town:

10 020

ZAGREB

Street and house number:

Avenija Većeslava Holjevca 10

E-mail address:

investitori@ina.hr

Web address:

www.ina.hrNumber of employees
(end of the reporting

3659

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

Yes

(Yes/No)

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

(name of the bookkeeping firm)

Contact person:

Josip Vargašević

(only name and surname of the contact person)

Telephone:

091 495 7186

E-mail address:

Josip.Vargasevic@trs.ina.hr

Audit firm:

ERNST & YOUNG d.o.o. Zagreb

(name of the audit firm)

Certified auditor:

Berislav Horvat

(name and surname)

BALANCE SHEET
balance as at 31.03.2020

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	17.380.000.000	17.290.000.000
I INTANGIBLE ASSETS (ADP 004 to 009)	003	433.000.000	425.000.000
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	159.000.000	149.000.000
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	13.000.000	10.000.000
5 Intangible assets in preparation	008	261.000.000	266.000.000
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	11.849.000.000	11.723.000.000
1 Land	011	1.005.000.000	1.004.000.000
2 Buildings	012	4.639.000.000	4.461.000.000
3 Plant and equipment	013	2.832.000.000	2.753.000.000
4 Tools, working inventory and transportation assets	014	265.000.000	252.000.000
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	360.000.000	376.000.000
7 Tangible assets in preparation	017	2.214.000.000	2.340.000.000
8 Other tangible assets	018	534.000.000	537.000.000
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	3.640.000.000	3.485.000.000
1 Investments in holdings (shares) of undertakings within the group	021	2.089.000.000	2.089.000.000
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	730.000.000	706.000.000
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	168.000.000	173.000.000
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	39.000.000	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	607.000.000	488.000.000
IV RECEIVABLES (ADP 032 to 035)	031	529.000.000	529.000.000
1 Receivables from undertakings within the group	032	9.000.000	9.000.000
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	38.000.000	36.000.000
4 Other receivables	035	482.000.000	484.000.000
V DEFERRED TAX ASSETS	036	929.000.000	1.128.000.000
C) CURRENT ASSETS (ADP 038+046+053+063)	037	4.663.000.000	4.511.000.000
I INVENTORIES (ADP 039 to 045)	038	2.025.000.000	1.494.000.000
1 Raw materials and consumables	039	324.000.000	409.000.000
2 Work in progress	040	668.000.000	579.000.000
3 Finished goods	041	844.000.000	397.000.000
4 Merchandise	042	189.000.000	109.000.000
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	2.047.000.000	1.731.000.000
1 Receivables from undertakings within the group	047	298.000.000	297.000.000

2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1.663.000.000	1.341.000.000
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	-1.000.000	6.000.000
6 Other receivables	052	87.000.000	87.000.000
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	89.000.000	218.000.000
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	36.000.000	36.000.000
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	0	45.000.000
8 Loans, deposits, etc. given	061	1.000.000	2.000.000
9 Other financial assets	062	52.000.000	135.000.000
IV CASH AT BANK AND IN HAND	063	502.000.000	1.068.000.000
D) PREPAID EXPENSES AND ACCRUED INCOME	064	43.000.000	82.000.000
E) TOTAL ASSETS (ADP 001+002+037+064)	065	22.086.000.000	21.883.000.000
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	11.894.000.000	11.018.000.000
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	1.380.000.000	1.402.000.000
1 Legal reserves	071	166.000.000	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	1.214.000.000	1.236.000.000
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	241.000.000	143.000.000
1 Fair value of financial assets available for sale	078	241.000.000	143.000.000
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	617.000.000	1.273.000.000
1 Retained profit	082	617.000.000	1.273.000.000
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	656.000.000	-800.000.000
1 Profit for the business year	085	656.000.000	0
2 Loss for the business year	086	0	800.000.000
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	3.893.000.000	3.905.000.000
1 Provisions for pensions, termination benefits and similar obligations	089	19.000.000	19.000.000
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	4.000.000	2.000.000
4 Provisions for renewal of natural resources	092	3.299.000.000	3.310.000.000
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	571.000.000	574.000.000
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	480.000.000	1.129.000.000
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	198.000.000
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	441.000.000	246.000.000
6 Liabilities to banks and other financial institutions	101	0	647.000.000
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	39.000.000	38.000.000
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	5.705.000.000	5.709.000.000
1 Liabilities to undertakings within the group	108	363.000.000	233.000.000
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	282.000.000	315.000.000
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	90.000.000	94.000.000
6 Liabilities to banks and other financial institutions	113	2.935.000.000	3.117.000.000
7 Liabilities for advance payments	114	38.000.000	36.000.000
8 Liabilities to suppliers	115	1.089.000.000	1.098.000.000
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	44.000.000	36.000.000
11 Taxes, contributions and similar liabilities	118	554.000.000	424.000.000
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	310.000.000	356.000.000

E) ACCRUALS AND DEFERRED INCOME	122	114.000.000	122.000.000
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	22.086.000.000	21.883.000.000
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2020 to 31.03.2020

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	3.991.000.000	3.991.000.000	3.754.000.000	3.754.000.000
1 Income from sales with undertakings within the group	126	635.000.000	635.000.000	583.000.000	583.000.000
2 Income from sales (outside group)	127	3.290.000.000	3.290.000.000	3.124.000.000	3.124.000.000
3 Income from the use of own products, goods and services	128	3.000.000	3.000.000	10.000.000	10.000.000
4 Other operating income with undertakings within the group	129	3.000.000	3.000.000	3.000.000	3.000.000
5 Other operating income (outside the group)	130	60.000.000	60.000.000	34.000.000	34.000.000
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	3.890.000.000	3.890.000.000	4.669.000.000	4.669.000.000
1 Changes in inventories of work in progress and finished goods	132	523.000.000	523.000.000	532.000.000	532.000.000
2 Material costs (ADP 134 to 136)	133	2.498.000.000	2.498.000.000	3.221.000.000	3.221.000.000
a) Costs of raw materials and consumables	134	169.000.000	169.000.000	1.229.000.000	1.229.000.000
b) Costs of goods sold	135	1.917.000.000	1.917.000.000	1.558.000.000	1.558.000.000
c) Other external costs	136	412.000.000	412.000.000	434.000.000	434.000.000
3 Staff costs (ADP 138 to 140)	137	187.000.000	187.000.000	171.000.000	171.000.000
a) Net salaries and wages	138	113.000.000	113.000.000	102.000.000	102.000.000
b) Tax and contributions from salary costs	139	48.000.000	48.000.000	45.000.000	45.000.000
c) Contributions on salaries	140	26.000.000	26.000.000	24.000.000	24.000.000
4 Depreciation	141	373.000.000	373.000.000	384.000.000	384.000.000
5 Other costs	142	217.000.000	217.000.000	215.000.000	215.000.000
6 Value adjustments (ADP 144+145)	143	50.000.000	50.000.000	140.000.000	140.000.000
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	50.000.000	50.000.000	140.000.000	140.000.000
7 Provisions (ADP 147 to 152)	146	42.000.000	42.000.000	6.000.000	6.000.000
a) Provisions for pensions, termination benefits and similar obligations	147	56.000.000	56.000.000	30.000.000	30.000.000
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	2.000.000	2.000.000	0	0
d) Provisions for renewal of natural resources	150	-16.000.000	-16.000.000	-20.000.000	-20.000.000
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	-4.000.000	-4.000.000
8 Other operating expenses	153	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	35.000.000	35.000.000	70.000.000	70.000.000
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	1.000.000	1.000.000	0	0
4 Other interest income from operations with undertakings within the group	158	6.000.000	6.000.000	6.000.000	6.000.000
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	1.000.000	1.000.000	14.000.000	14.000.000
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	20.000.000	20.000.000	43.000.000	43.000.000
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	6.000.000	6.000.000	6.000.000	6.000.000
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	60.000.000	60.000.000	137.000.000	137.000.000
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	0	0	0	0
3 Interest expenses and similar expenses	168	34.000.000	34.000.000	23.000.000	23.000.000
4 Exchange rate differences and other expenses	169	24.000.000	24.000.000	101.000.000	101.000.000
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	1.000.000	1.000.000	12.000.000	12.000.000
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0		
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	5.000.000	5.000.000
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0		
VIII SHARE IN LOSS OF JOINT VENTURES	176	23.000.000	23.000.000		
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	4.026.000.000	4.026.000.000	3.829.000.000	3.829.000.000
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	3.973.000.000	3.973.000.000	4.806.000.000	4.806.000.000
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	53.000.000	53.000.000	-977.000.000	-977.000.000
1 Pre-tax profit (ADP 177-178)	180	53.000.000	53.000.000	0	0

2 Pre-tax loss (ADP 178-177)	181	0	0	-977.000.000	-977.000.000
XII INCOME TAX	182	10.000.000	10.000.000	-177.000.000	-177.000.000
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	43.000.000	43.000.000	-800.000.000	-800.000.000
1 Profit for the period (ADP 179-182)	184	43.000.000	43.000.000	0	0
2 Loss for the period (ADP 182-179)	185	0	0	-800.000.000	-800.000.000
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				
2 Discontinued operations loss for the period (ADP 189-186)	191				
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				
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				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
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	43.000.000	43.000.000	-800.000.000	-800.000.000
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	44.000.000	44.000.000	-76.000.000	-76.000.000
1 Exchange rate differences from translation of foreign operations	204	14.000.000	14.000.000	22.000.000	22.000.000
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	30.000.000	30.000.000	-98.000.000	-98.000.000
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	44.000.000	44.000.000	-76.000.000	-76.000.000
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	87.000.000	87.000.000	-876.000.000	-876.000.000
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 01.01.2020. to 31.03.2020.

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	53.000.000	-977.000.000
2 Adjustments (ADP 003 to 010):	002	512.000.000	601.000.000
a) Depreciation	003	373.000.000	384.000.000
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	48.000.000	138.000.000
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	19.000.000	16.000.000
f) Provisions	008	42.000.000	6.000.000
g) Exchange rate differences (unrealised)	009	10.000.000	45.000.000
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	20.000.000	12.000.000
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	565.000.000	-376.000.000
3 Changes in the working capital (ADP 013 to 016)	012	1.105.000.000	279.000.000
a) Increase or decrease in short-term liabilities	013	714.000.000	-345.000.000
b) Increase or decrease in short-term receivables	014	-94.000.000	220.000.000
c) Increase or decrease in inventories	015	485.000.000	404.000.000
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	1.670.000.000	-97.000.000
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	1.670.000.000	-97.000.000
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	1.000.000	0
2 Cash receipts from sales of financial instruments	022	0	18.000.000
3 Interest received	023	15.000.000	6.000.000
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	33.000.000
III Total cash receipts from investment activities (ADP 021 to 026)	027	16.000.000	57.000.000
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-562.000.000	-187.000.000
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	-170.000.000	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-732.000.000	-187.000.000
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-716.000.000	-130.000.000
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	803.000.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	803.000.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-823.000.000	0
2 Cash payments for dividends	041	0	0

3 Cash payments for finance lease	042	-36.000.000	-24.000.000
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	-6.000.000	-4.000.000
VI Total cash payments from financing activities (ADP 040 to 044)	045	-865.000.000	-28.000.000
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-865.000.000	775.000.000
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	1.000.000	3.000.000
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	90.000.000	551.000.000
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	335.000.000	502.000.000
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	425.000.000	1.053.000.000

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2020 to 31.3.2020

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	99,000.000	0	0	0	1,184,000.000	0	135,000.000	0	0	800,000.000	1,334,000.000	12,352,000.000	0	12,352,000.000	
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	99,000.000	0	0	0	1,184,000.000	0	135,000.000	0	0	800,000.000	1,334,000.000	12,352,000.000	0	12,352,000.000	
5 Profit/loss of the period	05	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	06	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	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	30,000.000	0	0	0	0	30,000.000	0	30,000.000	
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	1,334,000.000	-1,334,000.000	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	99,000.000	0	0	0	1,198,000.000	0	165,000.000	0	0	1,304,000.000	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 OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	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 PREVIOUS PERIOD (ADP 05+24)	25	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 PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	0	0	0	0	0	0	0	0	1,334,000.000	-1,334,000.000	0	0	0	
Current period																		
1 Balance on the first day of the current business year	27	9,000,000.000	0	166,000.000	0	0	0	1,214,000.000	0	241,000.000	0	0	617,000.000	656,000.000	11,894,000.000	0	11,894,000.000	
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	166,000.000	0	0	0	1,214,000.000	0	241,000.000	0	0	617,000.000	656,000.000	11,894,000.000	0	11,894,000.000	
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	-800,000.000	-800,000.000	0	-800,000.000	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	22,000.000	0	0	0	0	0	22,000.000	22,000.000	0	22,000.000	
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	-98,000.000	0	0	0	-98,000.000	-98,000.000	0	-98,000.000	
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	656,000.000	-656,000.000	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	166,000.000	0	0	0	1,236,000.000	0	143,000.000	0	0	1,273,000.000	-800,000.000	11,018,000.000	0	11,018,000.000	
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	0	0	0	0	0	0	22,000.000	0	-98,000.000	0	0	0	0	-76,000.000	0	-76,000.000	

II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	0	22,000,000	0	-98,000,000	0	0	0	-800,000,000	-876,000,000	0	-876,000,000
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	656,000,000	-656,000,000	0	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 2020 - 31 March 2020

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. 2020 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 December 2019 (effective at 31 December 2019).

INA, d.d. Q1 2020 Financial Report in details presents significant business events as of 31 March 2020.

A difference among TFI_POD and Flash Report as a follows:

PL Report:

Line of amortisation in FR is equal of sum of two lines amortisation and value adjustments - fixed assets other than financial assets in sheet PL.

Line staff cost in FR includes other cost besides net salaries and tax. These other cost is presented in line Other cost in sheet PL.

BS Report:

Line of Property, plant and equipment – ROU in FR is presented in lines of tangible assets in accordance with particular class of asset in sheet BS.

Line of short-term Provision and line of short-term Employee benefit obligation in FR are presented together with other liabilities in line Other short-term liabilities in sheet BS.

Annual financial statement for year end 2019 and INA, d.d. Q1 2020 Financial Report at 31 March 2020 are available on www.ina.hr.



**INA, D.D.
Q1 2020
FINANCIAL REPORT**

Zagreb, April, 2020

INA, d.d. financial results (IFRS)

2019	HRK mln	Q1 2019	Q1 2020	%
21,096	Net sales revenues*	3,925	3,707	(6)
2,599	EBITDA (1)	474	(531)	n.a.
2,599	EBITDA excl. special items (2)	474	(531)	n.a.
774	Profit/(loss) from operations	101	(915)	n.a.
915	Profit/(loss) from operations excl. special items (2)	101	(915)	n.a.
18	Net (loss)/income from financial activities	(25)	(67)	168
656	Profit/(loss) for the period attributable to owners of the company	43	(800)	n.a.
797	Profit/(loss) for the period excl. special items (2)	43	(800)	n.a.
2,641	Net operating cash flow	1,670	(97)	n.a.
Earnings per share				
65.6	Basic and diluted earnings/(loss) per share (kunas per share)	4.3	(80.0)	n.a.
2,433	Net debt	700	2,696	285
17.0	Net gearing (%)	5.3	19.7	
1,950	CAPEX	542	187	(65)

2019	USD mln (3)	Q1 2019	Q1 2020	%
3,187	Net sales revenues*	601	547	(9)
393	EBITDA (1)	73	(78)	n.a.
393	EBITDA excl. special items (2)	73	(78)	n.a.
117	Profit/(loss) from operations	15	(135)	n.a.
138	Profit/(loss) from operations excl. special items (2)	15	(135)	n.a.
3	Net (loss)/income from financial activities	(4)	(10)	150
99	Profit/(loss) for the period attributable to owners of the company	7	(118)	n.a.
120	Profit/(loss) for the period excl. special items (2)	7	(118)	n.a.
399	Net operating cash flow	256	(14)	n.a.
Earnings per share				
9.9	Basic and diluted earnings/(loss) per share (USD per share)	0.7	(11.8)	n.a.
366	Net debt	106	392	270
294	CAPEX	83	28	(66)

* 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 Q1 2019 – 6.53 HRK/USD; Q1 2020 – 6.78 HRK/USD; for 2019 – 6.62 HRK/USD; as at 31 December 2019 – 6.65 HRK/USD; as at 31 March 2019 – 6.61 HRK/USD; as at 31 March 2020 – 6.88 HRK/USD

Operations of INA, d.d. in Q1 2020 have witnessed unprecedented market dynamics, particularly at the end of the quarter. The outbreak of the COVID-19 pandemic coupled with the disagreement within OPEC+ have led to a parallel supply and demand shock on global oil markets leading to a massive drop in oil & gas prices. Additionally, INA experienced a cyber-attack which created operational challenges but core operations and market supply were not interrupted and the business continuity was ensured.

INA, d.d. revenues recorded a 6% decrease in line with the mentioned market conditions while the reported result turned negative and amounted HRK (531) million, primarily due to inventory revaluation driven by external environment.

Exploration and Production EBITDA excluding special items decreased by 22% to HRK 419 million mainly caused by 11% lower realized hydrocarbon price and the natural decline in hydrocarbon production, primarily Croatian natural gas volumes.

Refining and Marketing including Consumer Services and Retail EBITDA excluding special items, hit by external drivers, was negative in the amount of HRK (978) million. Consumer Services sale quantities were only down by 4% in Q1, as the biggest drop in demand occurred at the end of the reporting period.

CAPEX was significantly lower in Q1 2020 compared to Q1 2019 due to the high base effect, as a major turnaround in the Rijeka refinery in 2019 boosted investment last year.

Non-consolidated Statement of Profit or Loss

For the period ended 31 March 2020 and 2019 (in HRK millions)

2019		Q1 2019	Q1 2020	%
21,096	Revenue from contracts with customers	3,925	3,707	(6)
14	Capitalised value of own performance	3	10	233
320	Other operating income	63	37	(41)
21,430	Total operating income	3,991	3,754	(6)
(179)	Changes in inventories of finished products and work in progress	(523)	(532)	2
(8,348)	Cost of raw materials and consumables	(169)	(1,229)	627
(1,825)	Depreciation, amortisation and impairment (net)	(373)	(384)	3
(1,927)	Other material costs	(412)	(434)	5
(859)	Service costs	(190)	(191)	1
(918)	Staff costs	(214)	(195)	(9)
(6,577)	Cost of other goods sold	(1,917)	(1,558)	(19)
(79)	Impairment charges (net)	(50)	(140)	180
56	Provision for charges and risks (net)	(42)	(6)	(86)
(20,656)	Operating expenses	(3,890)	(4,669)	20
774	Profit/(loss) from operations	101	(915)	n.a.
173	Finance income	35	70	100
(155)	Finance costs	(60)	(137)	128
18	Net income/(loss) from financial activities	(25)	(67)	168
10	Share of net profit/(loss) of joint ventures accounted for using the equity method	(23)	5	n.a.
802	(Loss)/profit before tax	53	(977)	n.a.
(146)	Income tax benefit/(expense)	(10)	177	n.a.
656	Profit/(loss) for the period	43	(800)	n.a.
	Attributable to			
656	Owners of the Company	43	(800)	n.a.
656		43	(800)	n.a.
	Earnings per share			
65.6	Basic and diluted earnings/(loss) per share (HRK per share)	4.3	(80.0)	n.a.

Non-consolidated Statement of Financial Position

At 31 March 2020 and 31 December 2019 (in HRK millions)

	31 December 2019	31 March 2020	%
Assets			
Non-current assets			
Intangible assets	420	415	(1)
Property, plant and equipment	10,960	10,815	(1)
Right-of-use asset	529	532	1
Investment in subsidiaries	2,089	2,089	0
Investments in associates and joint ventures	160	165	3
Other investments	745	721	(3)
Long-term receivables	902	915	1
Deferred tax	929	1,128	21
Marketable securities	39	22	(44)
Non-current financial assets	607	488	(20)
Total non-current assets	17,380	17,290	(1)
Current assets			
Inventories	2,025	1,494	(26)
Intercompany receivables	298	297	(0)
Trade receivables, net	1,663	1,341	(19)
Other receivables	86	93	8
Other current assets	132	255	93
Marketable securities	-	45	n.a.
Cash and cash equivalents	502	1,068	113
Total current assets	4,706	4,593	(2)
Total assets	22,086	21,883	(1)
Equity and liabilities			
Capital and reserves			
Share capital	9,000	9,000	0
Legal reserves	166	166	0
Fair value reserves	241	143	(41)
Other reserves	1,214	1,236	2
Retained earnings	1,273	473	(63)
Total equity	11,894	11,018	(7)
Non-current liabilities			
Long-term loans	-	647	n.a.
Long-term lease liabilities	441	444	1
Other non-current liabilities	39	38	(3)
Employee benefit obligation	19	19	0
Provisions	3,874	3,886	0
Total non-current liabilities	4,373	5,034	15
Current liabilities			
Bank loans	2,935	3,117	6
Current portion of long-term lease liabilities	90	94	4
Intercompany payables	645	548	(15)
Trade payables	1,089	1,098	1
Taxes and contributions	554	424	(23)
Other current liabilities	387	415	7
Employee benefit obligation	3	3	0
Provisions	116	132	14
Total current liabilities	5,819	5,831	0
Total liabilities	10,192	10,865	7
Total equity and liabilities	22,086	21,883	(1)

Non-consolidated Cash Flow Statement (Indirect method)

For the period ended 31 March 2020 and 2019 (in HRK millions)

2019	Q1 2019	Q1 2020	%
656 Profit/(loss) for the period	43	(800)	n.a.
Adjustments for:			
1,825 Depreciation, amortisation and impairment of property, plant and equipment and ROU asset (net)	373	384	3
146 Income tax expense recognised in profit and loss	10	(177)	n.a.
79 Impairment charges (net)	50	140	180
(8) Loss/(gain) on sale of property, plant and equipment	(2)	(2)	0
(112) Income from capital increase of subsidiary	-	-	n.a.
17 Foreign exchange loss/(gain)	10	45	350
1 Interest expense /(gain) (net)	-	2	n.a.
- Share of profit/(loss) of joint ventures accounted for using the equity method	23	(5)	n.a.
(10) Share of gain of an associate and a joint venture	-	-	n.a.
(84) Other finance (gain)/costs recognised in profit and loss	1	8	700
(64) Decrease/(increase) in provisions	42	6	(86)
50 Decommissioning interests	19	14	(26)
8 Net loss on derivative financial instruments and hedge transactions	(3)	9	n.a.
- Other non-cash items	(1)	-	n.a.
2,504 Operating cash flow before working capital changes	565	(376)	n.a.
Movements in working capital			
230 (Increase)/decrease in inventories	485	404	(17)
(321) (Increase) /decrease in receivables and prepayments	(94)	220	n.a.
240 (Decrease)/increase in trade and other payables	714	(345)	n.a.
2,653 Cash generated from operations	1,670	(97)	n.a.
(12) Taxes paid	-	-	n.a.
2,641 Net cash inflow from/(outflow) from operating activities	1,670	(97)	n.a.
Cash flows used in investing activities			
(1,822) Capital expenditures, exploration and development costs	(520)	(184)	(65)
(128) Payment for intangible assets	(42)	(3)	(93)
12 Proceeds from sale of non-current assets	1	-	n.a.
(10) Acquisition of subsidiary	-	-	n.a.
(12) Investment in securities	-	18	n.a.
Dividends received from companies classified as non-current financial assets and from other companies	-	-	n.a.
1 Payments received from subsidiaries	-	-	n.a.
29 Interest received and other financial income	15	6	(60)
(193) Loans and other investments (net)	(170)	33	n.a.
(2,113) Net cash (used in)/generated from investing activities	(716)	(130)	(82)
Cash flows from financing activities			
208 Change in long-term borrowings (net)	(126)	309	n.a.
(83) Change of principal portion of lease liabilities	(36)	(24)	(33)
885 Change in short-term borrowings (net)	(697)	494	n.a.
(1,250) Dividends paid	-	-	n.a.
(1) Interest paid on long-term loans	-	-	n.a.
(123) Interest paid on short term loans and other interest charges	(6)	(4)	(33)
(364) Net cash from financing activities	(865)	775	n.a.
164 Net (decrease)/increase in cash and cash equivalents	89	548	516
335 At 1 January	335	502	50
3 Effect of foreign exchange rate changes	1	3	200
502 At the end of period	425	1,053	148
- Overdrafts	-	15	n.a.
502 Cash and cash equivalents in statement of financial position	425	1,068	151

Financial overview

Statement of profit or loss

Revenues from contract with customers in Q1 2020 amounted to HRK 3,707 million and are slightly below the Q1 2019 level, triggered mainly by Refining and Marketing sales revenue decrease since higher sales couldn't compensate for the less favourable external environment.

Costs of raw materials and consumables were 627% higher than Q1 2019 level at HRK (1,229) million, reflecting different processing dynamic, primarily due to Rijeka Refinery turnaround on Q1 2019.

Costs of other goods sold in Q1 2020 recorded a decrease of 19% compared to Q1 2019 and amounted to HRK (1,558) million resulting from lower goods sales.

Other **operating costs** realized in Q1 2020 include:

- Other material costs amounted to HRK (434) million, a 5% increase compared to Q1 2019 mostly related to higher transportation costs due to higher refining production
- Service costs in the amount of HRK (191) million in line with last year's level
- Depreciation, amortisation and impairment (net) in the amount of HRK (384) million was 3% higher compared to previous period
- Impairment and provisions had a negative effect in the amount of HRK (146) million and were higher than Q1 2019 by 59%, mainly due to value adjustment of raw materials caused by hydrocarbon price drop in Q1 2020.

Staff costs in the amount HRK (195) million were 9% lower compared to Q1 2019.

Net result from financial activities in Q1 2020 is negative in the amount of HRK (67) million, compared to HRK (25) million of net financial loss in Q1 2019.

Statement of financial position

Total assets of INA, d.d., as at 31 March 2020 amounted to HRK 21,883 million, 1% lower compared to 31 December 2019.

Property, plant and equipment amounted to HRK 10,815 million and were 1% lower than 31 December 2019.

Trade receivables outside of INA Group amounted to HRK 1,341 million and were 19% lower compared to 31 December 2019, in line with the sales revenues' dynamics.

Total liabilities amounted to HRK 10,865 million and were 7% higher compared to 31 December 2019.

Net debt of INA, d.d., amounted to HRK 2,696 million as at 31 December 2019 which is 11% higher compared to 31 December 2019.

Net gearing increased from 17.0% as at 31 December 2019 to 19.7% as at 31 March 2020.

As at 31 March 2020 **trade payables** outside of INA Group amounted HRK 1,098 million, which is an increase of 1% compared to the 31 December 2019.

Cash flow

The operating cash flow before working capital changes amounted to HRK (376) million in Q1 2020, which is a decrease compared to the same period last year which is in line with the change in EBITDA performance excluding non-cash items.

Changes in working capital affected the operating cash flow positively by HRK 279 million, primarily due to:

- Decreased value of inventories in the amount of HRK 404 million mainly related to impairment of inventories caused by lower prices
- Decrease in receivables and prepayments in the amount of HRK 220 million mainly related to lower sales revenues
- Decrease in trade and other payables in the amount of HRK (345) million related to paid imported crude oil

In both Q1 2020 and Q1 2019, no taxes were paid having no influence on the operating cash flow. All the above factors resulted in HRK (97) million net outflows from operating activities generated by INA, d.d. in Q1 2020.

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

In addition to international accounting standards, international reporting standards and regulatory requests the company discloses special items to achieve a higher level of transparency and to provide better understanding of the usual business operations. Business events not occurring regularly and having significant effect on operations and results are considered as special items. INA has adopted the materiality level for the special items in the amount of USD 10 million or above. If special items reach materiality level on cumulative basis, previous quarters are restated. Furthermore, in accordance with the adopted accounting policies and IFRS 36 – Impairment of Assets, INA performs impairment testing at the end of each reporting period if impairment indicators are assessed to be significant. In Q1 2020, the result was not impacted by special items.

Management representation

INA, d.d. non-consolidated financial statements for Q1 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS), i.e. they present fairly, in all material aspects, the financial position of the company, results of its operations and cash flows.

A meeting of INA Supervisory Board was held on 31 March 2020 to appoint new members of the company's Management Board at the proposal of the Government of the Republic of Croatia. New members of the INA Management Board are Barbara Dorić, Darko Markotić and Niko Dalić. They were appointed for a term of five years, starting from April 1st, 2020.

Management Board:

- Sándor Fasimon – President of the Management Board
- Niko Dalić – Member of the Management Board
- Barbara Dorić – Member of the Management Board
- Darko Markotić – Member of the Management Board
- Zsolt Pethő – Member of the Management Board
- Ákos Székely – Member of the Management Board