

**Annex 1****ISSUER'S GENERAL DATA**

Reporting period:

1.1.2020

to

30.6.2020.

Year:

2020

Quarter:

2.

**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.hr](mailto:investitori@ina.hr)

Web address:

[www.ina.hr](http://www.ina.hr)Number of employees  
(end of the reporting

3552

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 30.06.2020

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
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	17.380.000.000	16.996.000.000
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	433.000.000	383.000.000
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	159.000.000	101.000.000
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	13.000.000	14.000.000
5 Intangible assets in preparation	008	261.000.000	268.000.000
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	11.849.000.000	11.504.000.000
1 Land	011	1.005.000.000	1.002.000.000
2 Buildings	012	4.639.000.000	4.379.000.000
3 Plant and equipment	013	2.832.000.000	2.690.000.000
4 Tools, working inventory and transportation assets	014	265.000.000	262.000.000
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	360.000.000	354.000.000
7 Tangible assets in preparation	017	2.214.000.000	2.301.000.000
8 Other tangible assets	018	534.000.000	516.000.000
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	3.640.000.000	3.593.000.000
1 Investments in holdings (shares) of undertakings within the group	021	2.089.000.000	2.090.000.000
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	736.000.000
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	168.000.000	213.000.000
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	21.000.000
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	526.000.000
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	529.000.000	521.000.000
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	33.000.000
4 Other receivables	035	482.000.000	479.000.000
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	929.000.000	995.000.000
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	4.663.000.000	4.175.000.000
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	2.025.000.000	2.277.000.000
1 Raw materials and consumables	039	324.000.000	985.000.000
2 Work in progress	040	668.000.000	629.000.000
3 Finished goods	041	844.000.000	504.000.000
4 Merchandise	042	189.000.000	159.000.000
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	2.047.000.000	1.408.000.000
1 Receivables from undertakings within the group	047	298.000.000	189.000.000
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1.663.000.000	1.089.000.000
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	-1.000.000	15.000.000
6 Other receivables	052	87.000.000	115.000.000
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	89.000.000	260.000.000
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	64.000.000
8 Loans, deposits, etc. given	061	1.000.000	1.000.000
9 Other financial assets	062	52.000.000	159.000.000
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	502.000.000	230.000.000
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	43.000.000	63.000.000
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	22.086.000.000	21.234.000.000
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	0	0

<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>11.894.000.000</b>	<b>10.963.000.000</b>
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	1.385.000.000
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	1.219.000.000
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	241.000.000	174.000.000
1 Fair value of financial assets available for sale	078	241.000.000	174.000.000
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	-869.000.000
1 Profit for the business year	085	656.000.000	0
2 Loss for the business year	086	0	869.000.000
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>3.893.000.000</b>	<b>3.905.000.000</b>
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	1.000.000
4 Provisions for renewal of natural resources	092	3.299.000.000	3.322.000.000
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	571.000.000	563.000.000
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>480.000.000</b>	<b>458.000.000</b>
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
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	422.000.000
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	39.000.000	36.000.000
11 Deferred tax liability	106	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>5.705.000.000</b>	<b>5.789.000.000</b>
1 Liabilities to undertakings within the group	108	363.000.000	157.000.000
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	282.000.000	320.000.000
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	95.000.000
6 Liabilities to banks and other financial institutions	113	2.935.000.000	2.711.000.000
7 Liabilities for advance payments	114	38.000.000	32.000.000
8 Liabilities to suppliers	115	1.089.000.000	1.311.000.000
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	44.000.000	33.000.000
11 Taxes, contributions and similar liabilities	118	554.000.000	783.000.000
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	347.000.000
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>114.000.000</b>	<b>119.000.000</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>22.086.000.000</b>	<b>21.234.000.000</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>0</b>	<b>0</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2020 to 30.06.2020

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
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>9.228.000.000</b>	<b>5.237.000.000</b>	<b>6.705.000.000</b>	<b>2.951.000.000</b>
1 Income from sales with undertakings within the group	126	1.500.000.000	865.000.000	901.000.000	318.000.000
2 Income from sales (outside group)	127	7.568.000.000	4.278.000.000	5.720.000.000	2.596.000.000
3 Income from the use of own products, goods and services	128	6.000.000	3.000.000	17.000.000	7.000.000
4 Other operating income with undertakings within the group	129	16.000.000	13.000.000	8.000.000	5.000.000
5 Other operating income (outside the group)	130	138.000.000	78.000.000	59.000.000	25.000.000
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>9.010.000.000</b>	<b>5.120.000.000</b>	<b>7.626.000.000</b>	<b>2.955.000.000</b>
1 Changes in inventories of work in progress and finished goods	132	-247.000.000	-770.000.000	375.000.000	-157.000.000
2 Material costs (ADP 134 to 136)	133	7.698.000.000	5.200.000.000	5.646.000.000	2.425.000.000
a) Costs of raw materials and consumables	134	2.055.000.000	1.886.000.000	2.724.000.000	1.495.000.000
b) Costs of goods sold	135	4.667.000.000	2.750.000.000	1.940.000.000	382.000.000
c) Other external costs	136	976.000.000	564.000.000	982.000.000	548.000.000
3 Staff costs (ADP 138 to 140)	137	446.000.000	259.000.000	354.000.000	183.000.000
a) Net salaries and wages	138	264.000.000	151.000.000	210.000.000	108.000.000
b) Tax and contributions from salary costs	139	121.000.000	73.000.000	95.000.000	50.000.000
c) Contributions on salaries	140	61.000.000	35.000.000	49.000.000	25.000.000
4 Depreciation	141	768.000.000	395.000.000	788.000.000	404.000.000
5 Other costs	142	474.000.000	257.000.000	403.000.000	186.000.000
6 Value adjustments (ADP 144+145)	143	79.000.000	29.000.000	143.000.000	3.000.000
a) fixed assets other than financial assets	144	0	0	96.000.000	96.000.000
b) current assets other than financial assets	145	79.000.000	29.000.000	47.000.000	-93.000.000
7 Provisions (ADP 147 to 152)	146	-208.000.000	-250.000.000	-83.000.000	-89.000.000
a) Provisions for pensions, termination benefits and similar obligations	147	20.000.000	-36.000.000	4.000.000	-26.000.000
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	-23.000.000	-25.000.000	-3.000.000	-3.000.000
d) Provisions for renewal of natural resources	150	-199.000.000	-183.000.000	-73.000.000	-53.000.000
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	-6.000.000	-6.000.000	-11.000.000	-7.000.000
8 Other operating expenses	153	0	0	0	0
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>124.000.000</b>	<b>89.000.000</b>	<b>84.000.000</b>	<b>14.000.000</b>
1 Income from investments in holdings (shares) of undertakings within the group	155	63.000.000	63.000.000	25.000.000	25.000.000
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	1.000.000	0	1.000.000	1.000.000
4 Other interest income from operations with undertakings within the group	158	11.000.000	5.000.000	11.000.000	5.000.000
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	-1.000.000	10.000.000	-4.000.000
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	2.000.000	1.000.000	2.000.000	1.000.000
8 Exchange rate differences and other financial income	162	35.000.000	15.000.000	22.000.000	-21.000.000
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	12.000.000	6.000.000	13.000.000	7.000.000
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>90.000.000</b>	<b>30.000.000</b>	<b>129.000.000</b>	<b>-6.000.000</b>
1 Interest expenses and similar expenses with undertakings within the group	166	2.000.000	1.000.000	3.000.000	2.000.000
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	2.000.000	2.000.000	0	0
3 Interest expenses and similar expenses	168	67.000.000	33.000.000	43.000.000	22.000.000
4 Exchange rate differences and other expenses	169	18.000.000	-6.000.000	71.000.000	-30.000.000
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	0	12.000.000	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>5.000.000</b>	<b>45.000.000</b>	<b>40.000.000</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>18.000.000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>9.352.000.000</b>	<b>5.331.000.000</b>	<b>6.834.000.000</b>	<b>3.005.000.000</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>9.118.000.000</b>	<b>5.150.000.000</b>	<b>7.755.000.000</b>	<b>2.949.000.000</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>234.000.000</b>	<b>181.000.000</b>	<b>-921.000.000</b>	<b>56.000.000</b>
1 Pre-tax profit (ADP 177-178)	180	234.000.000	181.000.000	0	56.000.000

2 Pre-tax loss (ADP 178-177)	181	0	0	-921.000.000	0
<b>XII INCOME TAX</b>	<b>182</b>	32.000.000	22.000.000	-52.000.000	125.000.000
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>202.000.000</b>	<b>159.000.000</b>	<b>-869.000.000</b>	<b>-69.000.000</b>
1 Profit for the period (ADP 179-182)	184	202.000.000	159.000.000	0	0
2 Loss for the period (ADP 182-179)	185	0	0	-869.000.000	-69.000.000
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	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
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	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				
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>				
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>				
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	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
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	202.000.000	159.000.000	-869.000.000	-69.000.000
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	72.000.000	28.000.000	-62.000.000	14.000.000
1 Exchange rate differences from translation of foreign operations	204	0	-14.000.000	5.000.000	-17.000.000
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0		0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	72.000.000	42.000.000	-67.000.000	31.000.000
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
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	0	0	0	0
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	72.000.000	28.000.000	-62.000.000	14.000.000
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	274.000.000	187.000.000	-931.000.000	-55.000.000
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)</b>	<b>215</b>	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 30.06.2020.

in HRK

Submitter: INA - Industrija nafte d.d., Zagreb			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	234.000.000	-921.000.000
2 Adjustments (ADP 003 to 010):	002	570.000.000	1.039.000.000
a) Depreciation	003	768.000.000	788.000.000
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	76.000.000	138.000.000
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	10.000.000	0
d) Interest and dividend income	006	41.000.000	27.000.000
e) Interest expenses	007	0	0
f) Provisions	008	-208.000.000	-83.000.000
g) Exchange rate differences (unrealised)	009	-18.000.000	39.000.000
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-99.000.000	130.000.000
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>804.000.000</b>	<b>118.000.000</b>
3 Changes in the working capital (ADP 013 to 016)	012	391.000.000	429.000.000
a) Increase or decrease in short-term liabilities	013	1.020.000.000	373.000.000
b) Increase or decrease in short-term receivables	014	-267.000.000	314.000.000
c) Increase or decrease in inventories	015	-362.000.000	-258.000.000
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>1.195.000.000</b>	<b>547.000.000</b>
4 Interest paid	018	0	0
5 Income tax paid	019	-4.000.000	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>1.191.000.000</b>	<b>547.000.000</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	4.000.000	5.000.000
2 Cash receipts from sales of financial instruments	022	0	18.000.000
3 Interest received	023	31.000.000	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	38.000.000	25.000.000
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>73.000.000</b>	<b>54.000.000</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-1.080.000.000	-502.000.000
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-183.000.000	-6.000.000
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-1.263.000.000</b>	<b>-508.000.000</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-1.190.000.000</b>	<b>-454.000.000</b>
<b>Cash flow from financing activities</b>			
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	582.000.000	133.000.000
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>582.000.000</b>	<b>133.000.000</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-225.000.000	-443.000.000
2 Cash payments for dividends	041	0	0

3 Cash payments for finance lease	042	-37.000.000	-48.000.000
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	0	0
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-262.000.000</b>	<b>-491.000.000</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>320.000.000</b>	<b>-358.000.000</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	3.000.000	-7.000.000
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>324.000.000</b>	<b>-272.000.000</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>335.000.000</b>	<b>502.000.000</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>659.000.000</b>	<b>230.000.000</b>



**STATEMENT OF CHANGES IN EQUITY**  
for the period from 1.1.2020 to 30.6.2020

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)	
<b>Previous period</b>																		
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	202,000.000	202,000.000	0	202,000.000	
6 Exchange rate differences from translation of foreign operations	06	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	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	72,000.000	0	0	0	0	72,000.000	0	72,000.000	
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	-1,250,000.000	-1,250,000.000	-1,250,000.000	0	-1,250,000.000	
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	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	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	166,000.000	0	0	0	1,184,000.000	0	207,000.000	0	0	617,000.000	202,000.000	11,376,000.000	0	11,376,000.000	
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																		
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	0	0	72,000.000	0	0	0	0	72,000.000	0	72,000.000	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	72,000.000	0	0	0	202,000.000	274,000.000	0	274,000.000	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	67,000.000	0	0	0	0	0	0	0	0	17,000.000	-1,334,000.000	-1,250,000.000	0	-1,250,000.000	
<b>Current period</b>																		
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	-869,000.000	-869,000.000	0	-869,000.000	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	5,000.000	0	0	0	0	0	5,000.000	5,000.000	0	5,000.000	
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	-67,000.000	0	0	0	-67,000.000	-67,000.000	0	-67,000.000	
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	1,219,000.000	0	174,000.000	0	0	1,273,000.000	-869,000.000	10,963,000.000	0	10,963,000.000	
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																		
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	5,000.000	0	-67,000.000	0	0	0	0	-62,000.000	0	-62,000.000	

II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	0	0	5,000,000	0	-67,000,000	0	0	0	-89,000,000	-931,000,000	0	-931,000,000
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	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 - 30 June 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. I. - VI.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. Q2 2020 Financial Report in details presents significant business events as of 30 June 2020.

A difference among TFI\_POD and INA, d.d. I. - VI. 2020 Flash Report as follows:

PL Report:

Line of amortisation in FR INA, d.d. 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 INA, d.d. 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 INA, d.d. 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 INA, d.d. 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. Q2 2020 Financial Report at 30 June 2020 are available on [www.ina.hr](http://www.ina.hr).



**INA, D.D.  
Q2 & H1 2020  
FINANCIAL REPORT**

Zagreb, July, 2020

**INA, d.d. financial results (IFRS)**

Q2 2019	Q2 2020	HRK mln	H1 2019	H1 2020	%
5,143	2,914	Net sales revenues*	9,068	6,621	(27)
512	496	EBITDA (1)	986	(37)	n.a.
<b>512</b>	<b>496</b>	<b>EBITDA excl. special items (2)</b>	<b>986</b>	<b>(37)</b>	<b>n.a.</b>
117	(4)	Profit/loss from operations	218	(921)	n.a.
<b>117</b>	<b>(4)</b>	<b>Profit/(loss) from operations excl. special items (2)</b>	<b>218</b>	<b>(921)</b>	<b>n.a.</b>
59	20	Net (loss)/income from financial activities	34	(45)	n.a.
159	(69)	Profit/(loss) for the period	202	(869)	n.a.
<b>159</b>	<b>(69)</b>	<b>Profit/(loss) for the period excl. special items (2)</b>	<b>202</b>	<b>(869)</b>	<b>n.a.</b>
(479)	644	Net operating cash flow	1,191	547	(54)
<b>Earnings per share</b>					
15.9	(6.9)	Basic and diluted earnings/(loss) per share (HRK per share)	20.2	(86.9)	n.a.
1,628	2,481	Net debt	1,628	2,481	52
12.5	18.5	Net gearing (%)	12.5	18.5	
<b>539</b>	<b>315</b>	<b>CAPEX</b>	<b>1,081</b>	<b>502</b>	<b>(54)</b>

Q2 2019	Q2 2020	USD mln (3)	H1 2019	H1 2020	%
779	423	Net sales revenues*	1,381	968	(30)
78	72	EBITDA (1)	150	(5)	n.a.
<b>78</b>	<b>72</b>	<b>EBITDA excl. special items (2)</b>	<b>150</b>	<b>(5)</b>	<b>n.a.</b>
18	(1)	Profit/loss from operations	33	(135)	n.a.
<b>18</b>	<b>(1)</b>	<b>Profit/(loss) from operations excl. special items (2)</b>	<b>33</b>	<b>(135)</b>	<b>n.a.</b>
9	3	Net (loss)/income from financial activities	5	(7)	n.a.
24	(10)	Profit/(loss) for the period	31	(127)	n.a.
<b>24</b>	<b>(10)</b>	<b>Profit/(loss) for the period excl. special items (2)</b>	<b>31</b>	<b>(127)</b>	<b>n.a.</b>
(73)	93	Net operating cash flow	181	80	(56)
<b>Earnings per share</b>					
2.4	(1.0)	Basic and diluted earnings/(loss) per share (USD per share)	3.1	(12.7)	n.a.
251	370	Net debt	251	370	47
<b>82</b>	<b>46</b>	<b>CAPEX</b>	<b>165</b>	<b>73</b>	<b>(56)</b>

\* 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 2019 – 6.60 HRK/USD; Q2 2020 – 6.89 HRK/USD; for H1 2019 – 6.56 HRK/USD; H1 2020 6.84 HRK/USD; as at 30 June 2019 - 6.50 HRK/USD; as at 30 June 2020 – 6.71 HRK/USD; as at 31 December 2019 – 6.65 HRK/USD

As a result of the unforeseen and unprecedented market turmoil during the first half of 2020, INA, d.d. results dropped when compared to the 2019 results. With the easing of the restrictive measures connected to COVID-19 pandemic, the global oil market have started to stabilize, but the oil & gas industry is far from a full recovery. The reported result is still negative, but significantly less than that in Q1 2020, with EBITDA of HRK (37) million in H1 2020, driven by the external environment impact.

Exploration and Production result has been impacted by the combination of 12% lower production due to natural decline and 36% lower realized hydrocarbon prices, halving the EBITDA to HRK 546 million compared to H1 2019. The reported EBITDA of Refining and Marketing including Consumer Services and Retail shows a negative trend with HRK (717) million in line with the unfavourable price environment. The pandemic and the decline in tourism resulted in a 17% drop of Retail sales volumes, while the non-fuel revenues continue to increase.

While the strategic transformation of INA Downstream continues, CAPEX was significantly lower compared to H1 2019 due to the high base effect, as a major turnaround in the Rijeka refinery in 2019 boosted investments last year. Also the CAPEX was reduced following the necessary measures made in light of the economic crisis driven by COVID-19 pandemic.

**Condensed non-consolidated Statement of Profit or Loss**

For the period ended 30 June 2019 and 2020 (in HRK millions)

Q2 2019	Q2 2020		H1 2019	H1 2020	%
<b>5,143</b>	<b>2,914</b>	<b>Revenue from contracts with customers</b>	<b>9,068</b>	<b>6,621</b>	<b>(27)</b>
3	7	Capitalised value of own performance	6	17	183
91	30	Other operating income	154	67	(56)
<b>5,237</b>	<b>2,951</b>	<b>Total operating income</b>	<b>9,228</b>	<b>6,705</b>	<b>(27)</b>
770	157	Changes in inventories of finished products and work in progress	247	(375)	n.a.
(1,886)	(1,495)	Cost of raw materials and consumables	(2,055)	(2,724)	33
(395)	(500)	Depreciation, amortisation and impairment (net)	(768)	(884)	15
(564)	(548)	Other material costs	(976)	(982)	1
(286)	(180)	Service costs	(476)	(373)	(22)
(230)	(189)	Staff costs	(444)	(384)	(14)
(2,750)	(382)	Cost of other goods sold	(4,667)	(1,940)	(58)
(29)	93	Impairment charges (net)	(79)	(47)	(41)
250	89	Provision for charges and risks (net)	208	83	(60)
<b>(5,120)</b>	<b>(2,955)</b>	<b>Operating expenses</b>	<b>(9,010)</b>	<b>(7,626)</b>	<b>(15)</b>
<b>117</b>	<b>(4)</b>	<b>Profit/(loss) from operations</b>	<b>218</b>	<b>(921)</b>	<b>n.a.</b>
89	14	Finance income	124	84	(32)
(30)	6	Finance costs	(90)	(129)	43
<b>59</b>	<b>20</b>	<b>Net income/(loss) from financial activities</b>	<b>34</b>	<b>(45)</b>	<b>n.a.</b>
<b>5</b>	<b>40</b>	<b>Share of net profit/(loss) of joint ventures accounted for using the equity method</b>	<b>(18)</b>	<b>45</b>	<b>n.a.</b>
<b>181</b>	<b>56</b>	<b>(Loss)/profit before tax</b>	<b>234</b>	<b>(921)</b>	<b>n.a.</b>
(22)	(125)	Income tax benefit/(expense)	(32)	52	n.a.
<b>159</b>	<b>(69)</b>	<b>Profit/(loss) for the period</b>	<b>202</b>	<b>(869)</b>	<b>n.a.</b>
		<b>Earnings per share</b>			
15.9	(6.9)	Basic and diluted earnings/(loss) per share (HRK per share)	20.2	(86.9)	n.a.

## Condensed non-consolidated Statement of Financial Position

At 31 December 2019 and 30 June 2020 (in HRK millions)

	31 December 2019	30 June 2020	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	420	369	(12)
Property, plant and equipment	10,960	10,639	(3)
Right-of-use asset	529	511	(3)
Investment in subsidiaries	2,089	2,090	0
Investments in associates and joint ventures	160	205	28
Other investments	745	751	1
Long-term receivables	902	889	(1)
Deferred tax assets	929	995	7
Marketable securities	39	21	(46)
Non-current financial assets	607	526	(13)
<b>Total non-current assets</b>	<b>17,380</b>	<b>16,996</b>	<b>(2)</b>
<b>Current assets</b>			
Inventories	2,025	2,277	12
Intercompany receivables	298	189	(37)
Trade receivables, net	1,663	1,089	(35)
Other receivables	86	130	51
Other current assets	132	259	96
Marketable securities	-	64	n.a.
Cash and cash equivalents	502	230	(54)
<b>Total current assets</b>	<b>4,706</b>	<b>4,238</b>	<b>(10)</b>
<b>Total assets</b>	<b>22,086</b>	<b>21,234</b>	<b>(4)</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	9,000	9,000	0
Legal reserves	166	166	0
Fair value reserves	241	174	(28)
Other reserves	1,214	1,219	0
Retained earnings	1,273	404	(68)
<b>Total equity</b>	<b>11,894</b>	<b>10,963</b>	<b>(8)</b>
<b>Non-current liabilities</b>			
Long-term lease liabilities	441	422	(4)
Other non-current liabilities	39	36	(8)
Employee benefit obligation	19	19	0
Provisions	3,874	3,886	0
<b>Total non-current liabilities</b>	<b>4,373</b>	<b>4,363</b>	<b>(0)</b>
<b>Current liabilities</b>			
Bank loans	2,935	2,711	(8)
Current portion of long-term lease liabilities	90	95	6
Intercompany payables	645	477	(26)
Trade payables	1,089	1,311	20
Taxes and contributions	554	783	41
Other current liabilities	387	478	24
Employee benefit obligation	3	3	0
Provisions	116	50	(57)
<b>Total current liabilities</b>	<b>5,819</b>	<b>5,908</b>	<b>2</b>
<b>Total liabilities</b>	<b>10,192</b>	<b>10,271</b>	<b>1</b>
<b>Total equity and liabilities</b>	<b>22,086</b>	<b>21,234</b>	<b>(4)</b>

## Condensed non-consolidated Cash Flow Statement (Indirect method)

For the period ended 30 June 2019 and 2020 (in HRK millions)

Q2 2019	Q2 2020		H1 2019	H1 2020	%
159	(69)	<b>Profit/(loss) for the period</b>	202	(869)	n.a.
		<b>Adjustments for:</b>			
395	500	Depreciation, amortisation and impairment of property, plant and equipment and ROU asset (net)	768	884	15
22	125	Income tax (benefit)/expense recognised in profit and loss	32	(52)	n.a.
29	(93)	Impairment charges (net)	79	47	(41)
(1)	(3)	Loss/(gain) on sale of property, plant and equipment	(3)	(5)	67
(8)	-	Income from capital increase of subsidiary	(8)	-	n.a.
(28)	(6)	Foreign exchange loss/(gain)	(18)	39	n.a.
(2)	(2)	Interest expense /(gain) (net)	(2)	-	n.a.
(5)	(40)	Share of profit/(loss) of joint ventures accounted for using the equity method	18	(45)	n.a.
(66)	(4)	Other finance (gain)/costs recognised in profit and loss	(65)	4	n.a.
(250)	(89)	Decrease/(increase) in provisions	(208)	(83)	(60)
24	13	Decommissioning interests	43	27	(37)
(31)	162	Net (gain)/loss on derivative financial instruments and hedge transactions	(34)	171	n.a.
1	-	Other non-cash items	-	-	n.a.
<b>239</b>	<b>494</b>	<b>Operating cash flow before working capital changes</b>	<b>804</b>	<b>118</b>	<b>(85)</b>
		<b>Movements in working capital</b>			
(847)	(662)	(Increase)/decrease in inventories	(362)	(258)	(29)
(173)	94	(Increase) /decrease in receivables and prepayments	(267)	314	n.a.
306	718	(Decrease)/increase in trade, lease payments and other payables	1,020	373	(63)
<b>(475)</b>	<b>644</b>	<b>Cash generated from operations</b>	<b>1,195</b>	<b>547</b>	<b>(54)</b>
(4)	-	Taxes paid	(4)	-	n.a.
<b>(479)</b>	<b>644</b>	<b>Net cash inflow from/(outflow) from operating activities</b>	<b>1,191</b>	<b>547</b>	<b>(54)</b>
		<b>Cash flows used in investing activities</b>			
(496)	(307)	Capital expenditures, exploration and development costs	(1,016)	(491)	(52)
(22)	(8)	Payment for intangible assets	(64)	(11)	(83)
3	5	Proceeds from sale of non-current assets	4	5	25
-	-	Investment in securities	-	18	n.a.
38	25	Payments received from subsidiaries	38	25	(34)
16	-	Interest received and other financial income	31	6	(81)
(13)	(39)	Loans and other investments (net)	(183)	(6)	(97)
<b>(474)</b>	<b>(324)</b>	<b>Net cash (used in)/generated from investing activities</b>	<b>(1,190)</b>	<b>(454)</b>	<b>(62)</b>
		<b>Cash flows from financing activities</b>			
-	(644)	Change in long-term borrowings (net)	(126)	(335)	166
36	24	Change of principal portion of lease liabilities	-	-	n.a.
1,279	(361)	Change in short-term borrowings (net)	582	133	(77)
(37)	(48)	Finance lease repayments	(37)	(48)	30
(90)	-	Interest paid on long-term loans	(90)	-	n.a.
(3)	(104)	Interest paid on short term loans and other interest charges	(9)	(108)	1,100
<b>1,185</b>	<b>(1,133)</b>	<b>Net cash from financing activities</b>	<b>320</b>	<b>(358)</b>	<b>n.a.</b>
232	(813)	Net (decrease)/increase in cash and cash equivalents	321	(265)	n.a.
425	1,068	At 1 January	335	502	50
2	(10)	Effect of foreign exchange rate changes	3	(7)	n.a.
659	245	At the end of period	659	230	(65)
-	(15)	Overdrafts	-	-	n.a.
<b>659</b>	<b>230</b>	<b>Cash and cash equivalents in statement of financial position</b>	<b>659</b>	<b>230</b>	<b>(65)</b>



## Financial overview

### Condensed non-consolidated Statement of Profit or Loss

**Revenue from contract with customers** in H1 2020 amounted to HRK 6,621 million and is below the H1 2019 level, triggered mainly by Refining and Marketing lower sales on core market (Croatia and B&H) as a result of COVID-19 pandemic related market demand drop coupled with sharp drop in hydrocarbon price.

**Costs of raw materials and consumables** were 33% higher than H1 2019 level at HRK (2,724) million, reflecting different processing dynamic, Rijeka Refinery full start up in May 2019 after turnaround.

**Costs of other goods sold** in H1 2020 recorded a decrease of 58% compared to H1 2019 and amounted to HRK (1,940) million resulting from lower sales.

Other **operating costs** realized in H1 2020 include:

- Other material costs in the amount of HRK (982) million were in line with H1 2019
- Service costs in the amount of HRK (373) million were 22% lower compared to H1 2019 level mainly regarding lower intellectual services
- Depreciation, amortisation and impairment (net) in the amount of HRK (884) million was 15% higher compared to H1 2019
- Impairment and provisions had a positive effect in the amount of HRK 36 million and were lower than H1 2019 by 72%.

**Staff costs** in the amount HRK (384) million were 14% lower compared to H1 2019.

**Net result from financial activities** in H1 2020 is negative in the amount of HRK (45) million, compared to HRK 34 million of net financial gain in H1 2019.

### Condensed non-consolidated Statement of Financial Position

**Total assets** of INA, d.d., as at 30 June 2020 amounted to HRK 21,234 million, 4% lower compared to 31 December 2019.

**Property, plant and equipment** amounted to HRK 10,639 million and were 3% lower than 31 December 2019.

**Trade receivables** outside of INA Group amounted to HRK 1,089 million and were 35% lower compared to 31 December 2019, mainly due to lower sales revenues.

**Total liabilities** amounted to HRK 10,271 million and were 1% higher compared to 31 December 2019.

**Net debt** of INA, d.d., amounted to HRK 2,481 million as at 30 June 2020 which is 2% higher compared to 31 December 2019. Net gearing increased from 17.0% as at 31 December 2019 to 18.5% as at 30 June 2020.

As at 30 June 2020 **trade payables** outside of INA Group amounted HRK 1,311 million, which is an increase of 20% compared to the 31 December 2019.

### Condensed non-consolidated Cash Flow Statement (Indirect method)

**The operating cash flow before working capital changes** amounted to HRK 118 million in H1 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 429 million, primarily due to:

- Increased value of inventories in the amount of HRK (258) million mainly related to higher domestic and imported crude oil
- Decrease in receivables and prepayments in the amount of HRK 314 million mainly related to lower sales revenues
- Increase in trade and other payables in the amount of HRK 373 million related to crude oil import.

In H1 2020 no **taxes** were paid, while in H1 2019 taxes paid influenced the operating cash flow negatively by HRK (4) million. All the above factors resulted in HRK 547 million net inflows from operating activities generated by INA, d.d. in H1 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 H1 2020, the result was not impacted by special items.

## Management representation

INA, d.d. non-consolidated financial statements for H1 2020 and Q2 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 1<sup>st</sup> 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