



**REPORT ON COMPANY AND
INA GROUP STATUS FOR
JANUARY- DECEMBER 2019**

Zagreb, March, 2020

INA Group and INA, d.d. financial results 2019

This report contains parts of unaudited financial statements and is based on unaudited numbers for the period ending 31 December 2019 as prepared by the management in accordance with the International Financial Reporting Standards.

INA Group	2018		2019		%	
	HRK mln	USD mln(4)	HRK mln	USD mln(4)	HRK	USD
Net sales revenues*	22,349	3,560	22,597	3,412	1	(4)
EBITDA (1)	3,489	556	2,859	432	(18)	(22)
EBITDA excl. special items (2)	3,291	524	2,859	432	(13)	(18)
CCS EBITDA excl. special items	3,116	496	2,897	437	(7)	(12)
Profit from operations	1,687	269	725	109	(57)	(59)
Profit from operations excl. special items (2)	1,489	237	1,007	152	(32)	(36)
CCS Profit from operations excl. special items	1,314	209	1,046	158	(20)	(24)
Net loss from financial activities	(167)	(27)	(76)	(11)	(54)	(59)
Profit for the period attributable to Owners of the Company	1,178	188	486	73	(59)	(61)
Profit for the period excl. special items (2)	980	156	768	116	(22)	(26)
Simplified Free Cash Flow (3)	1,299	207	747	113	(42)	(45)
Net operating cash flow	2,831	451	2,862	432	1	(4)
Earnings per share						
Basic and diluted earnings per share (HRK per share)	117.8	18.8	48.6	7.3	(59)	(61)
Net debt	1,642	254	2,554	384	56	51
Net gearing (%)	12.2		18.5			
CAPEX total	1,817	289	2,150	325	18	12
Domestic	1,587	253	1,860	281	17	11
International	230	37	290	44	26	19

INA, d.d.	2018		2019		%	
	HRK mln	USD mln(4)	HRK mln	USD mln(4)	HRK	USD
Net sales revenues*	21,070	3,356	21,096	3,187	0	(5)
EBITDA (1)	3,041	484	2,599	393	(15)	(19)
EBITDA excl. special items (2)	2,822	449	2,599	393	(8)	(13)
Profit from operations	1,353	216	774	117	(43)	(46)
Profit from operations excl. special items (2)	1,134	181	915	138	(19)	(24)
Net income from financial activities	304	48	18	3	(94)	(94)
Profit for the period attributable to Owners of the Company	1,334	212	656	99	(51)	(53)
Profit for the period excl. special items (2)	1,115	178	797	120	(28)	(33)
Net operating cash flow	2,971	473	2,668	403	(10)	(15)
Earnings per share						
Basic and diluted earnings per share (HRK per share)	133.4	21.2	65.6	9.9	(51)	(53)
Net debt	1,557	241	2,433	366	56	52
Net gearing (%)	11.2		17.0			
CAPEX	1,675	267	1,950	294	16	10

* Related to Revenue from contracts with customers

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

(2) INA Group 2018 result negatively impacted by HRK (93) mln of net impact of severance payments and related provisions together with positive impact of HRK 291 mln of gain on INAgip acquisition; 2019 result was negatively impacted by HRK (282) mln impairment of assets - Croatian gas fields; INA, d.d. 2018 result negatively impacted by HRK (72) mln of net impact of severance payments and related provisions together with positive impact of HRK 291 mln of gain on INAgip acquisition; 2019 result was negatively impacted by HRK (141) mln impairment of assets - Croatian gas fields

(3) Simplified free cash flow = CCS EBITDA excluding special items - CAPEX

(4) In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q4 2018 – 6.50 HRK/USD; Q4 2019 – 6.72 HRK/USD; for Q1-Q4 2018 – 6.28 HRK/USD; for Q1-Q4 2019 – 6.63 HRK/USD; as at 31 December 2018 – 6.47 HRK/USD; as at 31 December 2019 – 6.65 HRK/USD

INA Group sales revenues amounted to HRK 22,597 million in 2019, a stable performance compared to 2018, despite the more challenging external environment. CCS EBITDA excluding special items came in at HRK 2,897 million in 2019, a decrease of 7% compared to 2018, mainly due to the 10% decline in Brent crude price.

Exploration and Production revenues and EBITDA excluding special items decreased in 2019 by 11% and 22% respectively, on the back of 9% lower realized hydrocarbon prices and a 3% decline in hydrocarbon production. Overall production volumes were supported by higher crude oil production in Egypt, which was more than offset by the natural decline on Croatian fields, especially on gas fields. Refining and Marketing including Consumer Services and Retail CCS EBITDA excluding special items amounted to HRK 557 million in 2019, increasing by HRK 271 million year-on-year, while Simplified Free Cash Flow of the segment was negative HRK 779 million in 2019 due to the negative Refining and Marketing cash flow. The main events of the year for Refining included a large scale turnaround completed in May and also the final investment decision on Rijeka Refinery Upgrade Project, the largest investment in the recent history of INA. At the same time sales were stable, utilizing market conditions. Higher retail volumes (+ 3%) resulted from the improving performance in Croatia and the network expansion in Montenegro.

CAPEX was higher by 18% in 2019 year-on-year and amounted to HRK 2,150 million, with increased investments in Refining and Marketing. Net gearing amounted to 18.5% with net debt standing at HRK 2,554 million at the end of 2019.

Management discussion

Exploration and Production*

INA GROUP	2018		2019		%	
	HRK mln	USD mln	HRK mln	USD mln	HRK	USD
Net sales revenues	4,187	667	3,745	565	(11)	(15)
EBITDA	3,287	523	2,356	355	(28)	(32)
EBITDA excl. special items **	3,014	480	2,356	355	(22)	(26)
Profit from operations	2,256	359	1,149	173	(49)	(52)
Profit from operation excl. special items **	1,983	316	1,431	216	(28)	(32)
Simplified Free Cash Flow***	2,365	377	1,669	252	(29)	(33)
CAPEX	649	103	687	104	6	0

INA, D.D.	2018		2019		%	
	HRK mln	USD mln	HRK mln	USD mln	HRK	USD
Net sales revenues	4,158	662	3,636	548	(13)	(17)
EBITDA	3,076	490	2,215	334	(28)	(32)
EBITDA excl. special items**	2,803	446	2,215	334	(21)	(25)
Profit from operations	2,013	321	1,211	183	(40)	(43)
Profit from operation excl. special items **	1,740	277	1,352	204	(22)	(26)
CAPEX	644	103	665	100	3	(2)

* Exploration and Production refers to the Upstream of INA, d.d. and following subsidiaries: Adriagas S.r.l. Milano, INA Adria BV, INA Jadran d.o.o.

** In 2018, INA Group result was positively impacted by HRK 291 mln of special items related to revenues from gain on INAgip acquisition and HRK (18) mln of severance payment and related provision; 2019 result was negatively impacted by HRK (282) mln impairment of assets - Croatian gas fields; INA, d.d. result was negatively impacted by HRK (141) mln impairment of assets - Croatian gas fields

*** Simplified free cash flow = EBITDA excluding special items – CAPEX

Hydrocarbon production (boe/d)	2018	2019	%
Crude oil production	14,550	14,479	(1)
Croatia	12,443	12,097	(3)
Egypt	1,496	1,783	19
Angola	611	599	(2)
Natural gas production	18,926	18,134	(4)
Croatia - offshore	6,507	6,094	(6)
Croatia - onshore	12,419	12,040	(3)
Condensate (boe/d)	1,441	1,283	(11)
Total hydrocarbon production	34,917	33,896	(3)

Average realised hydrocarbon price	2018	2019	%
Total hydrocarbon price (USD/boe)*	53	48	(9)

* Calculated based on total sales revenue including natural gas internal selling price as well

2019 vs. 2018

Key drivers

- Brent price lower by 10% negatively impacting crude oil and condensate sales revenues by HRK 257 million
- Domestic crude oil production lower as a result of natural decline mainly on Đeletovci and Stružec fields offsetting the positive effect of additional development, well optimization and EOR project
- International crude oil production:
 - Egypt: Higher production supported by workover and drilling activities
 - Angola: Lower volumes reflecting natural production decline and various technical limitations on Block 3/05
- Natural gas production decreased as a result of:
 - Lower offshore production driven by natural decline and increased water cut on Izabela
 - Lower onshore production mainly due to reservoir maturity resulting in increased water cut on the main gas fields (Deep Podravina and Vučkovec together with Stružec)
- Condensate production lower due to:
 - Natural decline and increased water cut on main gas condensate fields

Capital expenditures

2019 (HRK mln)	Croatia	Egypt	Angola
Exploration	42	66	-
Development	279	94	8
Other	198	-	-
TOTAL	519	160	8

- Higher investment level compared to 2018 focusing on exploration drilling and development activities in Egypt
- Total of 64 well workovers performed on onshore Croatia with additional six well workovers on EOR Ivanić and Žutica project
- Drava-02 exploration program -1st phase: Commercial gas discovery was declared on Severovci-1 well in July.
- Jankovac-1 well was drilled in December. The 1st exploration phase work program will be finished in 2020. In December the Government of Croatia announced a decision approving INA's entrance into the 2nd exploration phase
- 2nd Croatia onshore bid round: in August INA was awarded licenses for two exploration blocks: DR-03 and SZH-01
- 3rd Croatia onshore bid round: in December INA was awarded licence for exploration block DR-14
- Selnica-1 East exploration well drilling started in December
- Egypt: Exploration well Rizk-2D drilled in May was put into production in December; on North Bahariya concession 15 development wells were drilled, while on Ras Qattara concession three development wells were drilled

Refining and Marketing, including Consumer services and Retail*

INA GROUP	2018		2019		%	
	HRK mln	USD mln	HRK mln	USD mln	HRK	USD
Net sales revenues	21,420	3,411	21,530	3,247	1	(5)
EBITDA	419	67	519	78	24	16
EBITDA excl. special items**	461	73	519	78	12	7
CCS EBITDA excl. special items**	286	46	557	84	95	83
Loss from operations	(158)	(25)	(229)	(35)	45	40
Loss from operations excl. special items**	(116)	(18)	(229)	(35)	98	94
CCS loss from operations	(291)	(46)	(191)	(29)	(34)	(37)
Simplified Free Cash Flow***	(784)	(125)	(779)	(117)	(1)	(6)
CAPEX	1,070	170	1,336	202	25	19

INA, d.d.	2018		2019		%	
	HRK mln	USD mln	HRK mln	USD mln	HRK	USD
Net sales revenues	20,696	3,296	20,673	3,118	(0)	(5)
EBITDA	331	53	390	59	18	11
EBITDA excl. special items**	375	60	390	59	4	(2)
Loss from operations	(223)	(36)	(329)	(50)	48	39
Loss from operations excl. special items**	(179)	(28)	(329)	(50)	84	79
CAPEX	982	156	1,205	182	23	17

*Refers to Refining and Marketing including Consumer Services and Retail INA, d.d. and the following subsidiaries: INA Mazivja d.o.o., INA Slovenija d.o.o., HoldINA d.o.o. Sarajevo, INA Crna Gora d.o.o., INA d.o.o. Beograd, INA Kosovo d.o.o., Petrol d.d., Energopetrol d.d., INA MALOPRODAJNI SERVISI d.o.o., Croplin d.o.o.

** In 2018 Operating profit and EBITDA were negatively impacted by HRK (42) mln of special items related to severance payment and related provision

*** Simplified free cash flow = CCS EBITDA excluding special items – CAPEX

Refining processing (kt)	2018	2019	%
Domestic crude oil	552	516	(7)
Imported crude oil	2,965	2,032	(31)
Condensate	59	38	(36)
Other feedstock	613	550	(10)
Total refining throughput	4,189	3,136	(25)
Refining production (kt)			
LPG	215	157	(27)
Naphtha	39	14	(64)
Gasoline	979	775	(21)
Kerosene	192	162	(16)
Diesel	1,406	1,096	(22)
Heating oil	144	89	(38)
Fuel oil	622	371	(40)
Other products*	137	121	(12)
Total	3,734	2,785	(25)
Refining loss	55	44	(20)
Own consumption	400	307	(23)
Total refining production	4,189	3,136	(25)
Refined product sales by country (kt)			
Croatia	1,839	2,056	12
B&H	701	769	10
Slovenia	77	64	(17)
Italy	356	309	(13)
Other markets	1,358	1,206	(11)
Total	4,331	4,404	2
Refined product sales by product (kt)			
LPG	267	248	(7)
Naphtha	40	13	(68)
Gasoline	862	848	(2)
Kerosene	201	220	9
Diesel	1,926	2,135	11
Heating oil	159	128	(19)
Fuel oil	579	364	(37)
Bitumen	60	74	23
Other products**	237	374	58
Total	4,331	4,404	2
o/w consumer services and Retail segment sales	1,082	1,115	3
Total natural gas sales (mln m3)	1,360	1,271	(7)
Total number of Service stations	500	511	2

*Other products = Benzene concentrate, liquid sulphur, coke, motor oils, industrial lubricants, other intermediates

**Other products = Benzene concentrate, heavy naphtha, vacuum gas oil, liquid sulphur, coke, crude oil, motor oils, industrial lubricants

2019 vs. 2018

Key drivers

- Asset structure and production overcapacity with two refineries compared to captive market demand leading to negative refining cash flow
- A deteriorating headline margin in refining: lower Brent price (-7 USD/bbl), decreased gasoline (-14 USD/t), fuel oil (-16 USD/t), LPG (-45 USD/t) crack spreads, and higher diesel crack spread (+2 USD/t)
- Significantly higher sales on core markets, Croatia (+217 kt) and B&H market (+68 kt) as a result of higher demand, stronger wholesale focus and lack of supply from the Bosanski Brod Refinery. INA's fuel position on captive markets has strengthened and represents a sales growth of +15% in diesel sales and +13% in gasoline sales
- Overall lower processing is mainly caused by the Jan-May Rijeka turnaround but refinery yields have improved driven by processing of lighter crudes
- Higher motor fuel import volumes (+633 kt) focused on meeting regional market demand
- Sales of domestic crude in Q4 through the Janaf pipeline
- Total Retail sales volumes were at 1,115 kt (+3%) with significant contribution coming from the Croatian (+12 kt) and Montenegro markets (+17 kt) as a result of reconstructions, modernizations and new service stations openings
- Non-fuel margin increased by 17%, reflecting continuous expansion in consumer goods and services

Capital expenditures

- Refining and Marketing CAPEX significantly increased and amounted to HRK 1,071 million compared to HRK 857 million in Q1-Q4 2018, mainly driven by the Rijeka Refinery turnaround and Propane-Propylene Splitter project:
 - The turnaround was completed and Rijeka Refinery started processing at the beginning of May
 - Final Investment decision (FID) was obtained for the Rijeka Refinery Upgrade Project and contract to start implementation works was signed
 - Activities on the Propane-Propylene Splitter project related to civil and mechanical works on site are in progress and reached the final phase of implementation where pre-commissioning activities, operating instructions and trainings for operators started and final connections of piping and insulation are ongoing
- Consumer Services and Retail CAPEX amounted to HRK 265 million compared to HRK 213 million in 2018 due to:
 - Various investment projects aimed at network development, including greenfield constructions, new service station rentals, existing service station reconstructions and modernizations, together with investments in car wash, facilities upgrade and other improvements of consumer services
 - Expanding the non-fuel offer through "Fresh Corner" concept with multiple projects executed, ongoing or in preparation

Corporate and other

INA GROUP	2018		2019		%	
	HRK mln	USD mln	HRK mln	USD mln	HRK	USD
Net sales revenues	1,829	291	2,139	323	17	11
EBITDA	(88)	(14)	26	4	n.a.	n.a.
EBITDA excl. special items*	(55)	(9)	26	4	n.a.	n.a.
Loss from operations	(282)	(45)	(154)	(23)	(45)	(49)
Loss from operations excl. special items*	(249)	(40)	(154)	(23)	(38)	(43)
CAPEX	159	25	181	27	14	8

INA, d.d.	2018		2019		%	
	HRK mln	USD mln	HRK mln	USD mln	HRK	USD
Net sales revenues	137	22	324	49	136	123
EBITDA	(298)	(47)	(31)	(5)	(90)	(89)
EBITDA excl. special items*	(289)	(46)	(31)	(5)	(89)	(89)
Loss from operations	(369)	(59)	(133)	(20)	(64)	(66)
Loss from operations excl. special items*	(360)	(57)	(133)	(20)	(63)	(65)
CAPEX	49	8	80	12	63	58

* In 2018 INA Group result was negatively impacted by HRK (33) mln of special items related to severance payment and net provisions; In 2018 INA Group result was negatively impacted by HRK (9) mln of special items related to severance payment and net provisions

Main external parameters

Crude oil prices	2018	2019	%
Brent dtd (USD/bbl)	71	64	(9.9)
Brent-Ural spread (USD/bbl)	1.09	0.43	(60.6)
FOB MED Products prices and crack spreads			
Gasoline - premium unleaded 10 ppm (USD/t)	662	595	(10.1)
Diesel – ULSD 10 ppm (USD/t)	638	586	(8.2)
Fuel oil 3.5% (USD/t)	394	324	(17.8)
LPG (USD/t)	552	454	(17.8)
Crack spread – gasoline (USD/t)	123	109	(11.4)
Crack spread – diesel (USD/t)	98	100	2.0
Crack spread – fuel oil 3.5% (USD/t)	(146)	(162)	11.0
Crack spread – LPG (USD/t)	13	(32)	n.a.
Indicative refining margins (USD/bbl)*	(0.03)	(0.81)	2,600
Foreign exchange			
HRK/USD average	6.28	6.63	5.6
HRK/USD closing	6.47	6.65	2.8
HRK/EUR average	7.41	7.44	0.4
HRK/EUR closing	7.42	7.44	0.3
3m USD LIBOR (%)	2.31	2.33	0.9
3m EURIBOR (%)	(0.32)	(0.36)	12.5

* Indicative refining margins based on 2016 Solomon yields, dated Ural price used for all feedstock

INA Group – Consolidated Statement of Profit or Loss

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

	2018	2019	%
Revenue from contracts with customers	22,349	22,597	1
Capitalised value of own performance	416	466	12
Other operating income	529	234	(56)
Total operating income	23,294	23,297	0
Changes in inventories of finished products and work in progress	365	(160)	n.a.
Costs of raw materials and consumables	(12,033)	(8,460)	(30)
Depreciation, amortisation and impairment (net)	(1,802)	(2,134)	18
Other material costs	(2,188)	(2,125)	(3)
Service costs	(569)	(626)	10
Staff costs	(1,927)	(1,970)	2
Costs of other goods sold	(3,605)	(7,114)	97
Impairment charges (net)	165	(109)	n.a.
Provision for charges and risks (net)	(13)	126	n.a.
Operating expenses	(21,607)	(22,572)	4
Profit/(loss) from operations	1,687	725	(57)
Finance income	54	104	93
Finance costs	(221)	(180)	(19)
Net loss/(profit) from financial activities	(167)	(76)	(54)
Share of net profit of joint ventures accounted for using the equity method	-	10	n.a.
Profit before tax	1,520	659	(57)
Income tax expense	(343)	(170)	(50)
Profit/(loss) for the period	1,177	489	(58)
Attributable to:			
Owners of the Company	1,178	486	(59)
Non-controlling interests	(1)	3	n.a.
	1,177	489	(58)
Earnings per share			
Basic and diluted earnings per share (HRK per share)	117.8	48.6	(59)

INA, d.d. – Non-consolidated Statement of Profit or Loss

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

	2018	2019	%
Revenue from contracts with customers	21,070	21,096	0
Capitalised value of own performance	14	14	(0)
Other operating income	335	320	(4)
Total operating income	21,419	21,430	0
Changes in inventories of finished products and work in progress	364	(179)	n.a.
Cost of raw materials and consumables	(11,819)	(8,348)	(29)
Depreciation, amortisation and impairment (net)	(1,688)	(1,825)	8
Other material costs	(2,162)	(1,927)	(11)
Service costs	(787)	(859)	9
Staff costs	(950)	(918)	(3)
Cost of other goods sold	(3,169)	(6,577)	108
Impairment charges (net)	162	(79)	n.a.
Provision for charges and risks (net)	(17)	56	n.a.
Operating expenses	(20,066)	(20,656)	3
Profit/(loss) from operations	1,353	774	(43)
Finance income	505	173	(66)
Finance costs	(201)	(155)	(23)
Net income/(loss) from financial activities	304	18	(94)
Share of net profit of joint ventures accounted for using the equity method	-	10	n.a.
Profit/(loss) before tax	1,657	802	(52)
Income tax expense	(323)	(146)	(55)
Profit/(loss) for the period	1,334	656	(51)
Earnings per share			
Basic and diluted earnings per share (kunas per share)	133.4	65.6	(51)

INA Group – Consolidated Statement of Financial Position

At 31 December 2018 and 2019 (in HRK millions)

	31 December 2018	31 December 2019	%
Assets			
Non-current assets			
Intangible assets	644	635	(1)
Property, plant and equipment	12,284	12,567	2
Property, plant and equipment - ROU	-	342	n.a.
Investments in associates and joint venture	150	160	7
Other investments	16	17	6
Long-term receivables and other assets	732	898	23
Deferred tax	1,199	1,035	(14)
Long term marketable securities	-	39	n.a.
Non-current financial assets	479	607	27
Total non-current assets	15,504	16,300	5
Current assets			
Inventories	2,645	2,299	(13)
Trade receivables, net	1,837	2,026	10
Other receivables	121	143	18
Corporative Income tax receivables	8	16	100
Marketable securities	27	-	n.a.
Other current assets	174	136	(22)
Cash and cash equivalents	422	606	44
Current assets	5,234	5,226	(0)
Assets held for sale	4	6	50
Total current assets	5,238	5,232	(0)
Total assets	20,742	21,532	4
Equity and liabilities			
Capital and reserves			
Share capital	9,000	9,000	-
Legal reserves	99	166	68
Fair value reserves	135	241	79
Other reserves	1,544	1,590	3
Retained earnings	1,036	207	(80)
Equity attributable to equity holders of the parent	11,814	11,204	(5)
Non-controlling interests	9	12	33
Total equity	11,823	11,216	(5)
Non-current liabilities			
Long-term loans	4	-	n.a.
Long-term lease liabilities	-	276	n.a.
Other non-current liabilities	45	40	(11)
Employee benefits obligation	77	70	(9)
Provisions	3,462	3,716	7
Deferred tax liability	14	15	7
Total non-current liabilities	3,602	4,117	14
Current liabilities			
Bank loans	1,962	2,825	44
Current portion of long-term loans	125	335	168
Current portion of long-term lease liabilities	-	68	n.a.
Trade payables	1,720	1,511	(12)
Taxes and contributions	612	650	6
Other current liabilities	590	624	6
Employee benefits obligation	5	7	40
Provisions	303	179	(41)
Total current liabilities	5,317	6,199	17
Total liabilities	8,919	10,316	16
Total equity and liabilities	20,742	21,532	4

INA, d.d. – Non-consolidated Statement of Financial Position

At 31 December 2018 and 2019 (in HRK millions)

	31 December 2018	31 December 2019	%
Assets			
Non-current assets			
Intangible assets	431	420	(3)
Property, plant and equipment	10,586	10,960	4
Property, plant and equipment - ROU	-	529	n.a.
Investment in subsidiaries	1,960	2,089	7
Investments in associates and joint ventures	150	160	7
Other investments	752	745	(1)
Long-term receivables and other assets	743	902	21
Deferred tax	1,089	929	(15)
Long-term marketable securities	-	39	n.a.
Non-current financial assets	479	607	27
Total non-current assets	16,190	17,380	7
Current assets			
Inventories	2,351	2,025	(14)
Intercompany receivables	256	298	16
Trade receivables, net	1,490	1,663	12
Other receivables	73	86	18
Other current assets	165	132	(20)
Marketable securities	27	-	n.a.
Cash and cash equivalents	335	502	50
Total current assets	4,697	4,706	0
Total assets	20,887	22,086	6
Equity and liabilities			
Capital and reserves			
Share capital	9,000	9,000	0
Legal reserves	99	166	68
Fair value reserves	135	241	79
Other reserves	1,184	1,214	3
Retained earnings / (Deficit)	1,934	1,273	(34)
Total equity	12,352	11,894	(4)
Non-current liabilities			
Long-term lease liabilities	-	441	n.a.
Other non-current liabilities	44	39	(11)
Employee benefits obligation	33	19	(42)
Provisions	3,599	3,874	8
Total non-current liabilities	3,676	4,373	19
Current liabilities			
Bank loans	1,767	2,600	47
Current portion of long-term loans	125	335	168
Current portion of long-term lease liabilities	-	90	n.a.
Intercompany payables	584	645	10
Trade payables	1,242	1,089	(12)
Taxes and contributions	514	554	8
Other current liabilities	395	387	(2)
Employee benefits obligation	3	3	0
Provisions	229	116	(49)
Total current liabilities	4,859	5,819	20
Total liabilities	8,535	10,192	19
Total equity and liabilities	20,887	22,086	6

INA Group – Consolidated Cash Flow Statement (Indirect method)

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

	2018	2019	%
Profit for the period	1,177	489	(58)
Adjustments for:			
Depreciation, amortisation and impairment (net)	1,802	2,134	18
Tax expense recognised in income statement	343	170	(50)
Impairment charges (net)	(165)	109	n.a.
Loss/(Gain) on sale of property, plant and equipment	3	(11)	n.a.
Loss/(Gain) on sale of investments and shares	(291)	-	n.a.
Foreign exchange (gain)/loss	45	(29)	n.a.
Interest expense (net)	26	24	(8)
Share of loss of an associate and a joint venture	-	10	n.a.
Other finance (income)/expense recognised in profit	58	26	(55)
Decrease in provision	(23)	(135)	487
Decommissioning interests and other provision	62	49	(21)
Net (gain)/loss on derivative financial instruments and hedge transactions	96	8	(92)
Other non-cash items	(2)	(2)	0
Operating cash flow before working capital changes	3,131	2,842	(9)
Movements in working capital			
Decrease/(Increase) in inventories	(725)	322	n.a.
(Increase)/Decrease in receivables and prepayments	(278)	(362)	30
Increase in trade and other payables	764	101	(87)
Cash generated from operations	2,892	2,903	0
Taxes paid	(61)	(41)	(33)
Net cash inflow from operating activities	2,831	2,862	1
Cash flows used in investing activities			
Capital expenditures, exploration and development costs	(1,842)	(2,442)	33
Payment for intangible assets	(125)	(143)	14
Proceeds from sale of non-current assets	9	20	122
Acquisition of subsidiary (net)	(147)	-	n.a.
Investment in joint venture	(150)	-	n.a.
Investment in securities	-	(35)	n.a.
Dividends received from companies classified as non-current financial assets available for sale and from other companies	1	10	900
Interest received and other financial income	11	5	(55)
Loans and other investments (net)	1	42	4,100
Net cash used for investing activities	(2,242)	(2,543)	13
Cash flows from financing activities			
Change of long-term borrowings (net)	(122)	208	n.a.
Change in short-term borrowings (net)	376	823	119
Dividends paid	(812)	(1,250)	54
Repayment of lease liabilities	-	197	n.a.
Interest paid on long-term loans	(5)	(1)	(80)
Interest paid on short-term loans and other financing charges	(56)	(123)	120
Net cash from financing activities	(619)	(146)	(76)
Net increase/(decrease) in cash and cash equivalents	(30)	173	n.a.
At the beginning of the period	428	422	(1)
Effect of foreign exchange rate changes	24	6	(75)
Overdrafts	-	5	n.a.
Cash and cash equivalents in statement of financial position	422	606	44

INA, d.d. – Non-consolidated Cash Flow Statement (Indirect method)

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

	2018	2019	%
Profit/(loss) for the period	1,334	656	(51)
Adjustments for:			
Depreciation, amortisation and impairment (net)	1,688	1,825	8
Tax expense recognized in income statement	323	146	(55)
Impairment charges (net)	(162)	79	n.a.
Loss/(gain) on sale of property, plant and equipment	(7)	(8)	14
Loss/(gain) on sale of investments and shares	-	-	n.a.
Income from capital increase of subsidiary	-	(112)	n.a.
Foreign exchange loss/(gain)	49	17	(65)
Interest expense /(gain) (net)	6	1	(83)
Income from reversal of impaired loans	(222)	-	n.a.
Income from reversal of impaired investment in subsidiaries	(111)	-	n.a.
Share of gain of an associate and a joint venture	-	(10)	n.a.
Other finance costs recognised in profit and loss	(85)	(84)	(1)
(Decrease)/increase in provisions	(20)	(64)	220
Decommissioning interests	56	50	(11)
Net (gain)/loss on derivative financial instruments and hedge transactions	96	8	(92)
Other non-cash items	4	-	n.a.
Operating cash flow before working capital changes	2,949	2,504	(15)
Movements in working capital			
(Increase)/decrease in inventories	(645)	230	n.a.
(Increase) /decrease in receivables and prepayments	(320)	(294)	(8)
(Decrease)/increase in trade and other payables	1,022	240	(77)
Cash generated from operations	3,006	2,680	(11)
Taxes paid	(35)	(12)	(66)
Net cash inflow from/ (used in) operating activities	2,971	2,668	(10)
Cash flows used in investing activities			
Capital expenditures, exploration and development costs	(1,726)	(1,822)	6
Payment for intangible assets	(120)	(128)	7
Proceeds from sale of non-current assets	8	12	50
Acquisition of subsidiary	(265)	(10)	(96)
Investment in joint venture	(150)	-	n.a.
Investment in securities	-	(39)	n.a.
Dividends received from companies classified as non-current financial assets and from other companies	1	10	900
Payments received from subsidiaries	1	1	0
Interest received and other financial income	51	29	(43)
Loans and other investments (net)	(250)	(193)	(23)
Net cash (used in)/generated from investing activities	(2,450)	(2,140)	(13)
Cash flows from financing activities			
Repayment of lease liabilities	-	(83)	n.a.
Change in long term borrowings (net)	(122)	208	n.a.
Change in short term borrowings (net)	416	885	113
Dividends paid	(812)	(1,250)	54
Finance lease repayments	-	-	n.a.
Interest paid on long-term loans	(5)	(1)	(80)
Other long-term liabilities, net	-	-	n.a.
Interest paid on short term loans and other interest charges	(50)	(123)	146
Net cash from financing activities	(573)	(364)	(36)
Net (decrease)/increase in cash and cash equivalents	(52)	164	n.a.
At the beginning of the period	364	335	(8)
Effect of foreign exchange rate changes	23	3	(87)
At the end of period	335	502	50

INA Group Summary Segmental Results of Operations

HRK mln	2018	2019	%
Net sales revenues			
Exploration and Production	4,187	3,745	(11)
Refining and Marketing including Consumer services and Retail	21,420	21,530	1
Corporate and Other	1,829	2,139	17
Intersegment transfers and consolidation adjustments	(5,087)	(4,817)	(5)
Total	22,349	22,597	1
EBITDA*			
Exploration and Production	3,287	2,356	(28)
Refining and Marketing including Consumer services and Retail	419	519	24
Corporate and Other	(88)	26	n.a.
Intersegment transfers and consolidation adjustments	(129)	(42)	(67)
Total	3,489	2,859	(18)
EBITDA excluding Special Items			
Exploration and Production	3,014	2,356	(22)
Refining and Marketing including Consumer services and Retail	461	519	12
Corporate and Other	(55)	26	n.a.
Intersegment transfers and consolidation adjustments	(129)	(42)	(67)
Total	3,291	2,859	(13)
Profit/(Loss) from operations			
Exploration and Production	2,256	1,149	(49)
Refining and Marketing including Consumer services and Retail	(158)	(229)	45
Corporate and Other	(282)	(154)	(45)
Intersegment transfers and consolidation adjustments	(129)	(41)	(68)
Total	1,687	725	(57)
Profit/(Loss) from operations excluding Special Items			
Exploration and Production	1,983	1,431	(28)
Refining and Marketing including Consumer services and Retail	(116)	(229)	98
Corporate and Other	(249)	(154)	(38)
Intersegment transfers and consolidation adjustments	(129)	(41)	(68)
Total	1,489	1,007	(32)
Property, plant and equipment			
Exploration and Production	5,228	4,932	(6)
Refining and Marketing including Consumer services and Retail	6,069	6,674	10
Corporate and Other	1,385	1,422	3
Intersegment transfers and consolidation adjustments	(398)	(461)	16
Total	12,284	12,567	2

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

Intersegment transfers and consolidation adjustments

Intersegment transfers and consolidation adjustments indicates unrealised profit/loss on domestic crude oil being transferred from Exploration and Production to Refining and Marketing but still being kept on INA inventory as crude oil or finished / semi-finished product. Intersegment EBITDA effect on results in 2019 is HRK (42) million compared to HRK (129) million in 2018.

INA, d.d. Summary Segmental Results of Operations

HRK mln	2018	2019	%
Net sales revenues			
Exploration and Production	4,158	3,636	(13)
Refining and Marketing including Consumer services and Retail	20,696	20,673	(0)
Corporate and Other	137	324	136
Intersegment transfers and consolidation adjustments	(3,921)	(3,537)	(10)
Total	21,070	21,096	0
EBITDA*			
Exploration and Production	3,076	2,215	(28)
Refining and Marketing including Consumer services and Retail	331	390	18
Corporate and Other	(298)	(31)	(90)
Intersegment transfers and consolidation adjustments	(68)	25	n.a.
Total	3,041	2,599	(15)
EBITDA excluding Special Items			
Exploration and Production	2,803	2,215	(21)
Refining and Marketing including Consumer services and Retail	375	390	4
Corporate and Other	(289)	(31)	(89)
Intersegment transfers and consolidation adjustments	(68)	25	n.a.
Total	2,822	2,599	(8)
Profit/(Loss) from operations			
Exploration and Production	2,013	1,211	(40)
Refining and Marketing including Consumer services and Retail	(223)	(329)	48
Corporate and Other	(369)	(133)	(64)
Intersegment transfers and consolidation adjustments	(68)	25	n.a.
Total	1,353	774	(43)
Profit/(Loss) from operations excluding Special Items			
Exploration and Production	1,740	1,352	(22)
Refining and Marketing including Consumer services and Retail	(179)	(329)	84
Corporate and Other	(360)	(133)	(63)
Intersegment transfers and consolidation adjustments	(68)	25	n.a.
Total	1,134	915	(19)
Property, plant and equipment			
Exploration and Production	4,924	4,771	(3)
Refining and Marketing including Consumer services and Retail	5,414	5,901	9
Corporate and Other	248	288	16
Intersegment transfers and consolidation adjustments	-	-	n.a.
Total	10,586	10,960	4

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

Financial overview

INA Group – Consolidated Statement of Profit or Loss

Revenue from contract with customers in 2019 amounted to HRK 22,597 million and is slightly above the 2018 level, triggered mainly by higher wholesale, lack of supply from Bosanski Brod Refinery and sales growth on captive market.

Costs of raw materials and consumables were 30% lower than 2018 level at HRK (8,460) million, resulting mainly from lower processing triggered by Rijeka Refinery turnaround from January until May.

Costs of other goods sold in 2019 recorded an increase of 97% compared to 2018 and amounted to HRK (7,114) million resulting from higher import of goods to meet market demand.

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

- Other material costs were lower by 3% mainly mining royalty and transportation costs related to lower production and lower Brent price and amounted to HRK (2,125) million,
- Service costs in the amount of HRK (626) million were 10% higher than on 2018 level concerning higher intellectual services, insurance premium costs and other service costs,
- Depreciation, amortisation and impairment (net) in the amount of HRK (2,134) million was 18% higher than previous year,
- Impairment and provisions had a positive effect in the amount of HRK 17 million and was lower than HRK 152 mln of positive impact in 2018.

Staff costs in the amount HRK (1,970) million were 2% higher compared to 2018.

Income tax expense in 2019 amounted to HRK (170) million compared to HRK (343) million income tax expense in 2018. Tax costs and deferred taxes during the interim period are calculated on the basis of actual results and the profit tax rate, 18% for the periods ended 31 December 2019 and 31 December 2018.

Net result from financial activities is negative in 2019 mainly as a result of:

- Net foreign exchange loss reached HRK (24) million in 2019, while in 2018 net foreign exchange loss reached HRK (38) million,
- Interest payable amounted to HRK (51) million and interest received to HRK 4 million in 2019, while in 2018 interest payable amounted to HRK (68) million and interest received to HRK 3 million,
- Other financial net expenses amounted to HRK (4) million and are lower compared to HRK (64) million financial expenses in 2018.

INA, d.d. – Non-consolidated Statement of Profit or Loss

Revenues from contract with customers in 2019 amounted to HRK 21,096 million and were in line with 2018 level, triggered mainly by higher wholesale, lack of supply from Bosanski Brod Refinery and sales growth on captive market.

Costs of raw materials and consumables were 29% lower than 2018 level at HRK (8,348) million, resulting mainly from lower processing triggered by Rijeka Refinery turnaround from January until May.

Costs of other goods sold in 2019 recorded an increase of 108% compared to 2018, and amounted to HRK (6,577) million resulting from higher sales of imported goods to meet market demand.

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

- Other material costs amounted to HRK (1,927) million, a 11% decrease compared to 2018 mainly related to royalty and transportation costs due to lower production and lower Brent price,
- Service costs in the amount of HRK (859) million increased 9% above the last year's level mostly due to higher intellectual services, insurance premium cost and other service costs,
- Depreciation, amortisation and impairment (net) in the amount of HRK (1,825) million was 8% higher compared to previous period,
- Impairment and provisions had a negative effect in the amount of HRK 23 million.

Staff costs in the amount HRK (918) million were slightly lower compared to 2018.

Net result from financial activities in 2019 is positive in the amount of HRK 18 million, compared to HRK 304 million of net financial profit in 2018.

INA Group – Consolidated Statement of financial position

As at 31 December 2019 INA Group **total assets** amounted to HRK 21,532 million, 4% higher compared to 31 December 2018.

In the period ended 31 December 2019, INA Group invested HRK 131 million in **intangible assets**. The effect of depreciation equals HRK 45 million.

In the period ended 31 December 2019, INA Group invested HRK 2,018 million in **property, plant and equipment**. The effect of depreciation reduced net book value of property, plant and equipment in amount of HRK 1,695 million.

Share capital as at 31 December 2019 amounted to HRK 9,000 million. There was no movements in the issued capital of the Company in either the current or the prior financial reporting.

Inventories amounted to HRK 2,299 million, and have decreased by 13% compared to 31 December 2018, mainly imported crude oil and semifinished products.

Trade receivables, net amounted to HRK 2,026 million which is 10% higher than 31 December 2018 related to domestic crude oil external sales.

As at 31 December 2019 **total liabilities** amounted to HRK 10,316 million, 16% higher compared to 31 December 2018. INA Group **net debt** amounted to HRK 2,554 million and increased compared to 31 December 2018. **Net gearing** increased from 12.2% as at 31 December 2018, to 18.5% as at 31 December 2019.

Trade payables decreased compared to 31 December 2018 by 12% to HRK 1,511 million due to lower payables for imported crude oil.

INA, d.d. – Non-consolidated Statement of financial position

Total assets of INA, d.d., as at 31 December 2019 amounted to HRK 22,086 million, 6% higher compared to 31 December 2018.

Property, plant and equipment amounted to HRK 10,960 million and were 4% higher than 31 December 2018 related to higher investment level.

Trade receivables, net outside of INA Group amounted to HRK 1,663 million and were 12% higher compared to 31 December 2018.

Total liabilities amounted to HRK 10,192 million and were 19% higher compared to 31 December 2018.

Net indebtedness of INA, d.d., amounted to HRK 2,433 million as at 31 December 2019 which is 56% higher compared to 31 December 2018. **Net gearing** increased from 11.2% as at 31 December 2018 to 17.0% as at 31 December 2019.

As at 31 December 2019 **trade payables** outside of INA Group amounted HRK 1,089 million, which is a decrease of 12% compared to the 31 December 2018.

INA Group – Consolidated Cash Flow Statement

The **operating cash flow before working capital changes** amounted to HRK 2,842 million in 2019 representing a decrease of HRK 289 million compared to 2018, which is in line with the change in EBITDA performance excluding non-cash items.

Movements in working capital affected the operating cash flow positively by HRK 61 million, due to:

- Decreased value of inventories in the amount of HRK 322 million mainly related to imported crude oil (HRK 67 million) and semifinished products (HRK 163 million),
- Increase in receivables in the amount of HRK (362) million mainly related to crude oil export,
- Increase in trade and other payables amounted to 101 HRK million.

Net cash used for investing activities amounted to HRK (2,543) million of outflows, compared to HRK (2,242) million outflows in 2018 mainly reflecting intensive investments in refining operations.

INA, d.d. – Non-consolidated Cash Flow Statement

The **operating cash flow before working capital changes** amounted to HRK 2,504 million in 2019, which is a decrease of 15% compared to the same period last year.

Movements in working capital affected the operating cash flow positively by HRK 176 million, primarily due to:

- Decreased value of inventories in the amount of HRK 230 million mainly related to imported crude and semifinished products,
- Increase in receivables and prepayments in the amount of HRK (294) million related to crude oil sales,
- Increase in trade and other payables in the amount of HRK 240 million.

In 2019 **taxes paid** influenced the operating cash flow negatively by HRK (12) million, while in 2018 taxes paid influenced the operating cash flow by HRK (35) million. All the factors above resulted in HRK 2,668 million net inflows from operating activities generated by INA, d.d. in 2019.

INA Group - Special items in operating profit and EBITDA (in HRK mln)

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 reaches 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 2019, the result was negatively impacted by HRK (282) millions of special items related to impairment of assets - Croatian gas fields, due to lower gas prices.

HRK mln	2018	2019
INA GROUP		
Total impact of special items on operating profit/(loss)	198	(282)
Total impact of special items on EBITDA	198	-
Exploration and Production		
Total impact of special items on operating profit/(loss)	273	(282)
Total impact of special items on EBITDA	273	-
Severance payment and net provisions	(18)	-
Gain on INAgip acquisition	291	-
Impairment of assets - Croatian gas fields	-	(282)
Refining and Marketing including Consumer Services and Retail		
Total impact of special items on operating (loss)	(42)	-
Total impact of special items on EBITDA	(42)	-
Severance payment and net provisions	(42)	-
Corporate functions		
Total impact of special items on operating (loss)	(33)	-
Total impact of special items on EBITDA	(33)	-
Severance payment and net provisions	(33)	-

INA, d.d. - Special items in operating profit and EBITDA (in HRK mln)

In addition to international account standards, international reporting standards and regulatory requests that 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 reaches 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 2019, the result was negatively impacted by HRK (141) millions of special items related to impairment of assets – Croatian gas fields.

HRK mln	2018	2019
INA, d.d.		
Total impact of special items on operating profit/(loss)	219	(141)
Total impact of special items on EBITDA	219	-
Exploration and production		
Total impact of special items on operating profit/(loss)	273	(141)
Total impact of special items on EBITDA	273	-
Severance payment and net provisions	(18)	-
Gain on INAgip acquisition	291	-
Impairment of assets - Croatian gas fields	-	(141)
Refining and Marketing including Consumer Services and Retail		
Total impact of special items on operating profit/(loss)	(45)	-
Total impact of special items on EBITDA	(45)	-
Severance payment and net provisions	(45)	-
Corporate functions		
Total impact of special items on operating profit/(loss)	(9)	-
Total impact of special items on EBITDA	(9)	-
Severance payment and net provisions	(9)	-

Financial instruments and risk management

Risk Management procedures of INA Group are described in detail in INA's Consolidated and separate Financial Statements for the year ended 31 December 2019.

As of 31 December 2019 INA Group had:

- Opened short-term forward commodity swap transactions to hedge its exposure to changes in pricing periods, inventory levels and refining margins.
- Contracted and available short-term credit lines amounting to HRK 2,569 million excluding overdrafts and trade financing credit lines established with the purpose to finance the purchase of crude oil and oil products.
- Contracted and available long-term credit lines amounting to HRK 2,659 million.

INA Group - Related party transactions

INA Group has dominant positions in Croatia in oil and gas exploration and production, oil refining and the sale of gas and petroleum products. As a result of the INA Group strategic position within the Croatian economy, a substantial portion of its business and the business of its subsidiaries is transacted with the Croatian Government, its departments and agencies, and the companies with the Republic of Croatia being their majority shareholder.

Transactions between INA, d.d. and its subsidiaries, which are related parties of the Company, have been eliminated on Group level consolidation.

During Q1-Q4 2019, INA Group entered into the following trading transactions with the following related parties:

INA Group	Sales of goods	Purchase of goods
HRK mln	31 December 2019	31 December 2019
Companies available for sale		
JANAF d.d. Zagreb	8	42
Strategic partner		
MOL Nyrt.	790	1,106
Companies controlled by strategic partner		
Tifon d.o.o.	609	9
MOL Serbia d.o.o.	78	-
MOL Slovenia d.o.o.	49	69
Slovnaft, a.s.	34	221
MOL Petrochemical	21	3
MOL Commodity Trading Kft.	19	134
MOL Austria Handels GmbH	17	-
MOL NORGE AS	2	-
Geoinform Kft.	2	-
MOL-LUB Kft.	1	4
IES-Italiana Energia e Servizi s.p.a.	-	7
FGSZ Zrt.	-	3

INA Group	Amounts owed from related parties	Amounts owed to related parties
HRK mln	31 December 2019	31 December 2019
Companies available for sale		
JANAF d.d. Zagreb	1	2
Strategic partner		
MOL Nyrt.	230	60
Companies controlled by strategic partner		
Tifon d.o.o.	70	3
MOL Commodity Trading Kft.	48	-
MOL Slovenia d.o.o.	5	6
MOL Serbia d.o.o.	1	-
Geoinform Kft.	1	-
Slovnaft, a.s.	-	36
MOL-LUB Kft.	-	1
IES S.p.A	-	1

Related party transactions – INA, d.d.

INA, d.d. has dominant positions in Croatia in oil and gas exploration and production, oil refining and the sale of gas and petroleum products. As a result of the INA, d.d. strategic position within the Croatian economy, a substantial portion of its business is transacted with the Croatian Government, its departments and agencies, and the companies with the Republic of Croatia being their majority shareholder.

Details of transactions between INA, d.d. and the INA, d.d. companies and other related parties during 2019 are disclosed below:

INA, d.d.	Sales of goods	Purchase of goods
HRK mln	31 December 2019	31 December 2019
Related companies		
Holdina d.o.o. Sarajevo	2,624	-
INA Crna Gora d.o.o. Podgorica	444	-
INA Slovenija d.o.o. Ljubljana	99	-
STSI, Integrirani tehnički servisi d.o.o.	27	757
INA Jadran d.o.o.*	22	67
CROSCO, naftni servisi d.o.o.	13	275
Plavi tim d.o.o.	9	72
INA MAZIVA d.o.o.	7	57
INA Maloprodajni servisi d.o.o.	7	305
INA Adria B.V.	4	120
Energopetrol d.d.	4	-
INA vatrogasni servisi d.o.o.	3	42
Top Računovodstvo Servisi d.o.o.	3	49
Hostin d.o.o.	1	-
Adrigas S.r.l. Milano	-	3
INA d.o.o. Banja Luka	-	1
INA Kosovo d.o.o.	-	1
Share in company as non-current financial assets		
JANAF d.d. Zagreb	6	24
Strategic partner		
MOL Nyrt	581	944
Companies controlled by strategic partner		
Tifon d.o.o.	607	9
MOL Serbia d.o.o.	78	-
MOL Slovenia d.o.o.	49	-
Slovnaft a.s.	34	219
MOL Petrochemicals Co Ltd	21	-
MOL Commodity Trading Kft.	19	134
MOL Austria	17	-
MOL Norge AS	2	-
Geoinform Kft.	1	-
IES Italiana Energia e Servizi S.p.A	-	7
FGSZ ZRT	-	3

INA, d.d.	Amounts owed from related parties	Amounts owed to related parties
HRK mln	31 December 2019	31 December 2019
Related companies		
Holdina d.o.o. Sarajevo	203	1
INA Crna Gora d.o.o. Podgorica	52	-
CROSCO, naftni servisi d.o.o.	14	59
INA Slovenija d.o.o. Ljubljana	11	-
STSI, Integrirani tehnički servisi d.o.o.	9	199
INA MAZIVA d.o.o.	3	9
Plavi tim d.o.o.	3	16
INA Maloprodajni servisi d.o.o.	3	38
INA Jadran d.o.o.*	2	14
Top Računovodstvo Servisi d.o.o.	2	-
INA Adria B.V.*	1	16
INA vatrogasni servisi d.o.o.	-	11
Share in company as non-current financial assets		
JANAF d.d. Zagreb	-	2
Strategic partner		
MOL Nyrt.	198	43
Companies controlled by strategic partner		
Tifon d.o.o.	70	3
MOL Commodity Trading Kft.	48	49
MOL Slovenia d.o.o.	5	5
MOL Serbia d.o.o.	1	-
Slovnaft a.s.	-	35
IES Italiana Energia e Servizi S.p.A	-	1

Investments in INA portfolio companies

The Company has the following principal subsidiaries (*subsidiary owned directly by the Company):

Name of company	Activity	Shareholding	
		31 Dec 2018	31 Dec 2019
Oil field services			
*Crosco Naftni Servisi d.o.o. Zagreb	Oilfield services	100%	100%
Crosco B.V. Amsterdam, Netherlands	Oilfield services	100%	100%
Nordic Shipping Ltd, Marshall Islands	Platform leasing	100%	100%
Sea Horse Shipping Inc, Marshall Islands	Platform leasing	100%	100%
Rotary Zrt., Hungary	Oilfield services	100%	100%
Crosco S.A. DE C.V. Monterrey, Mexico	Oilfield services	99.90%	99.90%
Crosco International d.o.o. Tuzla, BiH	Oilfield services	100%	100%
Crosco Ukraine LLC	Oilfield services	100%	100%
Oil exploration and production			
*INA Naftaplin International Exploration and Production Ltd, Guernsey	Oil exploration and production	100%	-
INA Adria B.V.	Oil exploration and production	100%	100%
INA Jadran, d.o.o.	Oil exploration and production	100%	100%
Tourism			
*Hostin d.o.o. Zagreb	Tourism	100%	100%
Auxiliary services			
*STSI integrirani tehnički servisi d.o.o. Zagreb	Technical services	100%	100%
*TRS Top računovodstvo servisi d.o.o. za računovodstvene usluge	Accounting, book-keeping, auditing, tax consulting	100%	100%
*Plavi tim d.o.o., Zagreb	IT services	100%	100%
*INA Vatrogasni servisi d.o.o.	Firefighting activity	-	100%
*INA Industrijski servisi d.o.o.	Managing activities of holding companies	-	100%
Production and trading			
*INA Maziva d.o.o., Zagreb	Production and lubricants trading	100%	100%
Trading and finance			
*INA Slovenija, d.o.o. , Ljubljana, Slovenija	Trading	100%	100%
*INA BH d.d. Sarajevo, Bosnia and Herzegovina	Trading	100%	100%
*Holdina d.o.o. Sarajevo, B&H	Trading	100%	100%
*Energopetrol d.d. Sarajevo, BiH	Trading	88.66%	88.66%
*INA d.o.o. Beograd, Serbia	Trading	100%	100%
*INA Kosovo d.o.o. Priština	Trading	100%	100%
*Adriagas S.r.l. Milan, Italy	Pipeline project company	100%	100%
*Croplin d.o.o. Zagreb	Pipeline project company	100%	100%
*INA Crna Gora d.o.o. Podgorica, Montenegro	Trading	100%	100%
*INA BL d.o.o. Banja Luka	Trading	100%	100%
*Petrol d.d. Jurdani	Trading	100%	100%
*INA Maloprodajni servisi d.o.o.	Trading	100%	100%

Management representation

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

Management Board:

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