

# INA



## INA GROUP Q2 & H1 2024 FINANCIAL REPORT

INA Group (ZB: INA-R-A; [www.ina.hr](http://www.ina.hr)) announced its Q2 & H1 2024 results. This report contains unaudited consolidated financial statements for the period ending 30 June 2024 as prepared by the Management in accordance with the International Financial Reporting Standards.

## Contents

Management discussion and analysis: INA Group financial results (IFRS).....	3
H1 2024 financial and operational highlights .....	3
President of the Management Board comment .....	4
Exploration and Production* .....	5
Refining and Marketing, including Consumer Services and Retail* .....	6
Main external parameters .....	7
Condensed Consolidated Statement of Profit or Loss.....	8
Condensed Consolidated Statement of Financial Position .....	9
Condensed Consolidated Cash Flow Statement (Indirect method).....	10
INA Group Summary Segmental Results of Operations.....	11
Financial overview and notes .....	12
Special items in operating profit and EBITDA.....	13
Financial instruments and risk management .....	13
Russia – Ukraine conflict.....	13
Changes in equity.....	14
Related party transactions.....	15
Management representation.....	15



**Management discussion and analysis: INA Group financial results (IFRS)**

Q2 2023	Q2 2024	EUR mn	H1 2023	H1 2024	%
911.9	943.1	Net sales revenues*	1,672.7	1,744.9	4
146.3	93.2	EBITDA <sup>(1)</sup>	183.3	153.2	(16)
<b>146.3</b>	<b>93.2</b>	<b>EBITDA excl. special items <sup>(2)</sup></b>	<b>183.3</b>	<b>153.2</b>	<b>(16)</b>
<b>140.4</b>	<b>95.2</b>	<b>CCS EBITDA excl. special items</b>	<b>163.6</b>	<b>158.9</b>	<b>(3)</b>
105.1	48.0	Profit/(loss) from operations	98.4	68.2	(31)
<b>105.1</b>	<b>48.0</b>	<b>Profit/(loss) from operations excl. special items <sup>(2)</sup></b>	<b>98.4</b>	<b>68.2</b>	<b>(31)</b>
<b>99.2</b>	<b>50.0</b>	<b>CCS Profit/(loss) from operations excl. special items</b>	<b>78.7</b>	<b>73.9</b>	<b>(6)</b>
(2.7)	(8.8)	Net (loss)/income from financial activities	(13.0)	(15.8)	22
87.3	32.8	Profit/(loss) for the period attributable to Owners of the Company	73.1	44.7	(39)
<b>87.3</b>	<b>32.8</b>	<b>Profit/(loss) for the period excl. special items <sup>(2)</sup></b>	<b>73.1</b>	<b>44.7</b>	<b>(39)</b>
60.4	36.6	Simplified Free Cash Flow <sup>(3)</sup>	31.6	(1.2)	n.a.
<b>(44.5)</b>	<b>(26.2)</b>	<b>Net operating cash flow</b>	<b>(56.2)</b>	<b>(112.4)</b>	<b>100</b>
<b>Earnings per share</b>					
8.7	3.3	Basic and diluted earnings/(loss) per share (EUR per share)	7.3	4.5	(39)
330.6	497.0	Net debt	330.6	497.0	50
18.4	25.5	Net gearing (%)	18.4	25.5	
<b>80.0</b>	<b>58.6</b>	<b>CAPEX total</b>	<b>132.0</b>	<b>160.1</b>	<b>21</b>
74.9	56.9	Domestic	124.4	155.7	25
5.1	1.7	International	7.6	4.4	(42)
Q2 2023	Q2 2024	USD mn <sup>(4)</sup>	H1 2023	H1 2024	%
992.8	1,014.8	Net sales revenues*	1,809.1	1,885.4	4
159.3	100.3	EBITDA <sup>(1)</sup>	199.0	165.4	(17)
<b>159.3</b>	<b>100.3</b>	<b>EBITDA excl. special items <sup>(2)</sup></b>	<b>199.0</b>	<b>165.4</b>	<b>(17)</b>
<b>152.8</b>	<b>102.5</b>	<b>CCS EBITDA excl. special items</b>	<b>177.7</b>	<b>171.6</b>	<b>(3)</b>
114.4	51.6	Profit/(loss) from operations	107.2	73.6	(31)
<b>114.4</b>	<b>51.6</b>	<b>Profit/(loss) from operations excl. special items <sup>(2)</sup></b>	<b>107.2</b>	<b>73.6</b>	<b>(31)</b>
<b>108.0</b>	<b>53.8</b>	<b>CCS Profit/(loss) from operations excl. special items</b>	<b>86.0</b>	<b>79.7</b>	<b>(7)</b>
(2.9)	(9.5)	Net (loss)/income from financial activities	(14.0)	(17.1)	22
95.0	35.3	Profit/(loss) for the period attributable to Owners of the Company	79.8	48.2	(40)
<b>95.0</b>	<b>35.3</b>	<b>Profit/(loss) for the period excl. special items <sup>(2)</sup></b>	<b>79.8</b>	<b>48.2</b>	<b>(40)</b>
65.7	39.4	Simplified Free Cash Flow <sup>(3)</sup>	34.9	(1.7)	n.a.
<b>(48.5)</b>	<b>(28.2)</b>	<b>Net operating cash flow</b>	<b>(61.0)</b>	<b>(121.8)</b>	<b>100</b>
<b>Earnings per share</b>					
9.5	3.5	Basic and diluted earnings/(loss) per share (USD per share)	8.0	4.8	(40)
361.6	532.0	Net debt	361.6	532.0	47
<b>87.1</b>	<b>63.1</b>	<b>CAPEX total</b>	<b>142.9</b>	<b>173.3</b>	<b>21</b>
81.5	61.2	Domestic	134.6	168.5	25
5.5	1.9	International	8.3	4.8	(42)

\*Related to Revenue from contracts with customers

<sup>(1)</sup> EBITDA = EBIT + Depreciation, amortization and impairment (net)

<sup>(2)</sup> Neither H1 2023 nor H1 2024 results were impacted by special items

<sup>(3)</sup> Simplified free cash flow = CCS EBITDA excluding special items – CAPEX

<sup>(4)</sup> In converting EUR figures into US Dollars, the following average CNB (HNB) rates were used: as at 31 December 2023 - 1.1050 EUR/USD; as at 30 June 2023 - 1.0938 EUR/USD; as at 30 June 2024 - 1.0705 EUR/USD; for Q1 2023 - 1.0730 EUR/USD; Q1 2024 - 1.0858 EUR/USD; for Q2 2023 - 1.0887 EUR/USD; for Q2 2024 - 1.0760 EUR/USD

## H1 2024 financial and operational highlights

Following the decrease in gas prices, negatively impacting Exploration and Production result, overall INA Group performance in H1 2024 was lower compared to the same period last year. INA result in H1 2024, with EBITDA amounting to EUR 153 million was 16% lower than H1 2023, despite significantly higher Retail result.

Exploration and Production EBITDA was lower following lower gas price and natural decline of production, EUR 158 million in H1 2024. Production was lower by 7% compared to H1 last year, in line with the natural production decline, water cuts on main gas fields and impact of Angola assets divested in Q2 2023, although the Egyptian oil production remained stable with additional gas and condensate contribution.

Refining and Marketing incl. Consumer Services and Retail segment result improved mainly due to positive market trends and better wholesale margins. Following turnaround works and parallel implementation of various energy efficiency projects, Rijeka Refinery started up in Q2 2024. Consumer Services and Retail sales volumes increased by 8% compared to H1 2023, with higher realization on core markets and seasonality effect. On top of higher fuel sales, non-fuel margin continued to grow with 37% margin increase. In line with mentioned positive trends CCS EBITDA of segment turned positive at EUR 44 million, while Simplified Free Cash Flow remained negative at EUR (74) million in H1 2024, following increased investment activities of EUR 118 million in H1 2024.

Overall capital expenditures amounted to EUR 160 million and increased compared to H1 2023, majority of which was spent in Refining and Marketing incl. Consumer Services and Retail. Rijeka Refinery Upgrade Project reached 89% of total completion, with several other investment projects completed. Net debt for H1 2024 amounted to EUR 497 mn with gearing ratio of 25.5%.



**President of the Management Board comment**

**Ms. Zsuzsanna Ortutay, President of the Management Board comments on the results:**

"The first half of 2024 in INA Group was marked by stable results across all business segments, continuation of strong investment cycle and a strategic expansion into the renewable energy sector. Despite the oil prices stability, significant decrease in gas prices did impact the overall result, however, CCS EBITDA remains strong, mere 3% lower compared to same period last year.

Exploration and Production efforts to compensate natural production decline include the purchase of 40% in the Sava-07 Croatian onshore block and the expansion to new business areas such as geothermal. We have licenses for geothermal exploration in two areas in Croatia, and additionally, we are facilitating the green transition for external parties through geothermal services from Crosco.

Refining and Marketing incl. Consumer Services and Retail result improved in H1 2024 following strong margins and Retail performance. After the successful finalization of Rijeka Refinery turnaround, full operation started in Q2 2024 ensuring own product availability for season peak. In Retail, the non-fuel segment has been growing each year, with strong 37% growth achieved in H1 2024 compared to same period last year.

Stable results from our core business activities enable us to continue investing in renewable energy projects. Building on the success of our two operational solar power plants (Sisak and Virje), we are now entering new frontiers with the construction of a green hydrogen plant in Rijeka Refinery and a biomethane production facility in Sisak."



### Exploration and Production\*

Q2 2023	Q2 2024	Segment IFRS results (EUR mn)	H1 2023	H1 2024	%
144.0	136.6	Net sales revenues	297.5	259.4	(13)
116.3	84.8	EBITDA	214.4	158.2	(26)
<b>116.3</b>	<b>84.8</b>	<b>EBITDA excl. special items **</b>	<b>214.4</b>	<b>158.2</b>	<b>(26)</b>
100.9	66.1	Profit from operations	180.8	126.2	(30)
<b>100.9</b>	<b>66.1</b>	<b>Profit from operation excl. special items **</b>	<b>180.8</b>	<b>126.2</b>	<b>(30)</b>
<b>91.1</b>	<b>64.6</b>	Simplified Free Cash Flow***	<b>176.9</b>	<b>119.9</b>	<b>(32)</b>
25.2	20.2	CAPEX	37.5	38.3	2

\* Exploration and Production refers to the Upstream of INA, d.d. and following subsidiary: Adriagas S.r.l. Milano

\*\* Neither H1 2023 nor H1 2024 results were impacted by special items

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

Q2 2023	Q2 2024	Hydrocarbon production (boe/d)	H1 2023	H1 2024	%
<b>11,738</b>	<b>11,062</b>	<b>Crude oil production (boe/d)</b>	<b>11,943</b>	<b>11,007</b>	<b>(8)</b>
9,761	9,294	Croatia	9,842	9,274	(6)
1,767	1,768	Egypt	1,737	1,733	(0)
211	-	Angola	363	-	n.a.
<b>12,244</b>	<b>11,912</b>	<b>Natural gas production (boe/d)</b>	<b>12,400</b>	<b>11,843</b>	<b>(4)</b>
3,506	2,900	Croatia - offshore	3,517	2,945	(16)
8,738	8,804	Croatia - onshore	8,883	8,696	(2)
-	207	Egypt	-	202	n.a.
<b>869</b>	<b>700</b>	<b>Condensate (boe/d)</b>	<b>895</b>	<b>717</b>	<b>(20)</b>
869	694	Croatia	895	711	(21)
-	6	Egypt	-	6	n.a.
<b>24,851</b>	<b>23,674</b>	<b>Total hydrocarbon production</b>	<b>25,238</b>	<b>23,567</b>	<b>(7)</b>

Q2 2023	Q2 2024	Total average realised hydrocarbon price	H1 2023	H1 2024	%
73	69	Total average hydrocarbon price (USD/boe)*	74	67	(10)

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

### H1 2024 vs. H1 2023

#### Key drivers

- Lower prices, primarily gas prices, impacted sales revenues negatively by EUR 25.6 million
- Production lower by 6.6% yoy, Croatian production decreased as result of natural decline and water cut on most oil and main gas fields on Duboka Podravina and Međimurje along with lower contribution from Offshore projects. Several projects executed to reduce the impact of production decrease including Well revitalization project, Production system optimization project and production contribution from gas cup wells.
- International production higher driven by contribution from new Egypt concession East Damanhur and entitlement increase on Ras Qattara

#### Capital expenditures

H1 2024 (EUR mn)	Croatia	Egypt
Exploration	6.6	
Development	13.0	3.3
Other	15.4	
<b>TOTAL</b>	<b>35.0</b>	<b>3.3</b>

Higher CAPEX level compared to H1 2023 due to higher Croatia Onshore activities.

Main activities during H1 2024 were related to:

#### Croatia Exploration:

- Block Sava-07: Acquisition of 40% of non-operated working interest (1<sup>st</sup> exploration phase ongoing with drilling and well-testing of 4 exploration wells). INA approval and Government decision to enter into Sava-07 Concession 2<sup>nd</sup> exploration phase published
- 3D Virovitica seismic acquisition: Contract for seismic acquisition signed, acquisition ongoing
- Drava-03: Permitting activities for drilling two exploration wells in 2024 are ongoing (V. Rastovac-2 Du and Obradovci-5)

#### Croatia Geothermal:

- Preparatory activities for 3D seismic and drilling of 4 wells ongoing in two exploration areas (Leščan and Međimurje 5)

#### Croatia Onshore:

- Production optimization: 21 well workovers performed. Additional 3 well workovers finished on EOR projects Ivanić and Žutica

#### Egypt:

- North Bahariya: Start of drilling campaign on 29 June.
- Ras Qattara: 2 development wells drilled and completed. New Concession Agreement signed on 27 May
- East Bir El Nus: Seismic acquisition – preparatory works finished, seismic recording ongoing

**Refining and Marketing, including Consumer Services and Retail\***

<b>Q2 2023</b>	<b>Q2 2024</b>	<b>Segment IFRS results (EUR mn)</b>	<b>H1 2023</b>	<b>H1 2024</b>	<b>%</b>
894.3	919.5	Net sales revenues	1,640.2	1,697.9	4
4.5	25.5	EBITDA	(22.4)	37.8	n.a.
<b>4.5</b>	<b>25.5</b>	<b>EBITDA excl. special items**</b>	<b>(22.4)</b>	<b>37.8</b>	<b>n.a.</b>
(1.4)	27.5	CCS EBITDA excl. special items**	(42.1)	43.5	n.a.
(15.7)	4.2	Profit/(loss) from operations	(62.6)	(4.9)	(92)
<b>(15.7)</b>	<b>4.2</b>	<b>Profit/(loss) from operations excl. special items**</b>	<b>(62.6)</b>	<b>(4.9)</b>	<b>(92)</b>
(21.6)	6.2	CCS Profit/(loss) from operations	(82.3)	0.8	n.a.
(52.4)	(6.5)	Simplified Free Cash Flow***	(131.8)	(74.4)	(44)
51.0	34.0	CAPEX	89.7	117.9	31

\*Refers to Refining and Marketing including Consumer Services and Retail INA d.d. and the following subsidiaries: INA Maziva 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., Energopetrol d.d., INA MALOPRODAJNI SERVISI d.o.o., Croplin d.o.o.

\*\* Neither H1 2023 nor H1 2024 results were impacted by special items

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

<b>Q2 2023</b>	<b>Q2 2024</b>	<b>Refining processing (kt)</b>	<b>H1 2023</b>	<b>H1 2024</b>	<b>%</b>
96	106	Domestic crude oil	96	106	10
382	355	Imported crude oil	382	355	(7)
126	145	Other feedstock	156	170	9
<b>604</b>	<b>606</b>	<b>Total refining throughput</b>	<b>634</b>	<b>632</b>	<b>(0)</b>
<b>Refining production (kt)</b>					
34	32	LPG*	34	32	(8)
16	38	Naphtha	16	39	140
140	112	Gasoline	146	119	(18)
48	62	Kerosene	48	62	29
237	226	Diesel	238	226	(5)
-	-	Heating oil	-	-	n.a.
40	52	Fuel oil	53	56	5
20	20	Other products**	23	28	24
<b>536</b>	<b>542</b>	<b>Total</b>	<b>558</b>	<b>562</b>	<b>1</b>
12	11	Refining loss	12	11	(8)
56	53	Own consumption	64	58	(9)
<b>604</b>	<b>606</b>	<b>Total refining production</b>	<b>634</b>	<b>632</b>	<b>(0)</b>
<b>Refined product sales by country (kt)</b>					
638	649	Croatia	1,098	1,164	6
131	158	B&H	260	286	10
6	29	Slovenia	16	36	131
4	5	Italy	7	9	19
228	125	Other markets	342	249	(27)
<b>1,008</b>	<b>966</b>	<b>Total</b>	<b>1,723</b>	<b>1,743</b>	<b>1</b>
<b>Refined product sales by product (kt)</b>					
45	43	LPG*	79	74	(7)
17	41	Naphtha	18	47	169
185	181	Gasoline	283	324	14
58	76	Kerosene	78	98	26
507	520	Diesel	933	969	4
28	18	Heating oil	67	51	(24)
22	54	Fuel oil	46	67	45
29	25	Bitumen	43	40	(6)
118	7	Other products***	176	72	(59)
<b>1,008</b>	<b>966</b>	<b>Total</b>	<b>1,723</b>	<b>1,743</b>	<b>1</b>
357	373	o/w Consumer services and Retail segment sales	619	671	8
<b>158</b>	<b>88</b>	<b>Total natural gas sales (GWh)</b>	<b>327</b>	<b>240</b>	<b>(27)</b>
<b>507</b>	<b>508</b>	<b>Total number of service stations</b>	<b>507</b>	<b>508</b>	<b>0</b>

\*LPG+propylene

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

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

## H1 2024 vs. H1 2023

### Key drivers

- After finalisation of investments aimed mainly at energy efficiency improvement and regular turnaround activities, production in Rijeka Refinery gradually started in Q2 2024
- Market was safely supplied via import until own refined products availability, with continuously stable market supply and higher captive market sales performance
- Wholesale margins in contango environment and gas trading performance supported higher CCS result in H1 2024 compared to H1 2023
- Total Consumer Services and Retail sales volumes amounted to 671 kt in H1 2024 which is 8% above same period last year driven by higher realisation on Croatian market (+40 kt) mainly as a result of positive market trends
- Non-fuel margin increased by 37% reflecting continuous expansion in consumer goods, increasing number of Fresh Corners together with INA Loyalty program with over 650 thousand registered members

### Capital expenditures

- Refining and Marketing CAPEX amounted to EUR 113.7 million:
  - **Rijeka Refinery Upgrade Project** achieved 89% completion overall with active works on civil, piping and electrical activities. During the refinery turnaround a catalyst sulfidation service was successfully performed. The final heavy lifting campaign is finished, coke handling system is now completely connected to silo and port
  - **Replacement of condensing turbines with electric drives** to increase energy efficiency. All works completed and turbines in operation. Final activities ongoing from contractor's side
  - **Revitalization of LPG spherical tank** to improve operations of LPG storage area; mechanical completion achieved
  - **Installation of back pressure steam turbines with power generator** to increase energy efficiency; main design prepared and building permit obtained, EPC tender ongoing
- Consumer Services and Retail capital investments amounted to EUR 4.3 mn in H1 2024 related to finalization of growth projects including additional Fresh Corner implementations. Network currently consists of 508 stations (of which 392 in Croatia)

### Main external parameters

Q2 2023	Q2 2024	Crude oil and gas prices	H1 2023	H1 2024	%
78	85	Brent dtd (USD/bbl)	80	84	5
21	11	Brent-Ural spread (USD/bbl)	26	12	(55)
3.0	1.9	(Azeri-Brent) spread (USD/bbl)	3.2	3.0	(7)
37	33	CEGH gas price (EUR/MWh)	46	30	(34)
<b>FOB MED Products prices and crack spreads</b>					
822	864	Gasoline - premium unleaded 10 ppm (USD/t)	830	846	2
709	769	Diesel – ULSD 10 ppm (USD/t)	773	793	3
414	465	Fuel oil 3.5% (USD/t)	386	450	17
507	536	LPG (USD/t)	633	571	(10)
231	222	Crack spread – gasoline (USD/t)	227	210	(7)
118	126	Crack spread – diesel (USD/t)	170	157	(8)
(177)	(177)	Crack spread – fuel oil 3.5% (USD/t)	(217)	(186)	(14)
(83)	(107)	Crack spread – LPG (USD/t)	30	(65)	n.a.
2.8	4.1	Indicative refining margins (USD/bbl)*	4.5	6.2	38
<b>Foreign exchange</b>					
1.09	1.08	EUR/USD average	1.08	1.08	0
1.09	1.07	EUR/USD closing	1.09	1.07	(2)
5.13	5.33	3m Term SOFR average (%)	4.96	5.32	7
3.37	3.81	3m EURIBOR (%) average	3.00	3.87	29

\*Indicative refinery margin calculation revised in 2024 with updated natural gas and CO<sub>2</sub> inputs.

**Condensed Consolidated Statement of Profit or Loss**

For the period ended 30 June 2023 and 2024 (in EUR millions)

<b>Q2 2023</b>	<b>Q2 2024</b>		<b>Note</b>	<b>H1 2023</b>	<b>H1 2024</b>	<b>%</b>
<b>911.9</b>	<b>943.1</b>	<b>Revenue from contracts with customers</b>	1	<b>1,672.7</b>	<b>1,744.9</b>	<b>4</b>
46.0	7.9	Other operating income		60.9	14.3	(77)
<b>957.9</b>	<b>951.0</b>	<b>Total operating income</b>		<b>1,733.6</b>	<b>1,759.2</b>	<b>1</b>
79.1	123.5	Changes in inventories of finished products and work in progress		56.3	94.3	67
(343.7)	(339.9)	Costs of raw materials and consumables	2	(381.7)	(375.9)	(2)
(41.2)	(45.2)	Depreciation, amortisation and impairment (net)	3	(84.9)	(85.0)	0
(56.0)	(58.1)	Other material costs	3	(107.7)	(129.5)	20
(21.2)	(21.3)	Service costs	3	(37.6)	(38.2)	2
(66.5)	(71.8)	Staff costs	5	(126.8)	(138.9)	10
(416.9)	(495.1)	Costs of other goods sold	4	(969.9)	(1,037.9)	7
(1.6)	(3.8)	Impairment charges (net)	3	(6.2)	(4.3)	(31)
(2.1)	(8.2)	Provision for charges and risks (net)	3	(5.2)	(9.2)	77
17.3	16.9	Capitalised value of own performance		28.5	33.6	18
<b>(852.8)</b>	<b>(903.0)</b>	<b>Operating expenses</b>		<b>(1,635.2)</b>	<b>(1,691.0)</b>	<b>3</b>
<b>105.1</b>	<b>48.0</b>	<b>Profit/(Loss) from operations</b>		<b>98.4</b>	<b>68.2</b>	<b>(31)</b>
3.9	5.8	Finance income		8.6	10.9	27
(6.6)	(14.6)	Finance costs		(21.6)	(26.7)	24
<b>(2.7)</b>	<b>(8.8)</b>	<b>Net (loss)/income from financial activities</b>	6	<b>(13.0)</b>	<b>(15.8)</b>	<b>22</b>
0.1	0.8	Share of net profit/(loss) of joint ventures accounted for using the equity method	6	0.1	1.7	n.a.
<b>102.5</b>	<b>40.0</b>	<b>Profit/(Loss) before tax</b>		<b>85.5</b>	<b>54.1</b>	<b>(37)</b>
(15.0)	(7.2)	Income tax gain/(expense)	7	(12.2)	(9.4)	(23)
<b>87.5</b>	<b>32.8</b>	<b>Profit/(Loss) for the period</b>		<b>73.3</b>	<b>44.7</b>	<b>(39)</b>
Attributable to:						
87.3	32.8	Owners of the Company		73.1	44.7	(39)
0.2	-	Non-controlling interests		0.2	-	n.a.
<b>Earnings per share</b>						
8.7	3.3	Basic and diluted earnings/(loss) per share (EUR per share)		7.3	4.5	(39)



**Condensed Consolidated Statement of Financial Position**

At 31 December 2023 and 30 June 2024 (in EUR millions)

	Note	31 December 2023	30 June 2024	%
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	9	69.9	72.8	4
Property, plant and equipment	10	1,674.3	1,744.2	4
Investment property		23.1	21.7	(6)
Rigth-of-use assets	10	47.8	42.3	(12)
Investments in associates and joint venture		129.3	126.9	(2)
Other investments		0.9	0.9	(0)
Other non-current financial asset		74.0	76.9	4
Deferred tax		112.4	107.3	(5)
Long-term marketable securities		2.5	2.5	-
Non-current financial assets		98.6	102.2	4
Other non-current asset		27.6	17.9	(35)
<b>Total non-current assets</b>		<b>2,260.4</b>	<b>2,315.6</b>	<b>2</b>
<b>Current assets</b>				
Inventories	11	345.4	565.4	64
Trade receivables, net	12	319.2	338.2	6
Other current financial asset		18.4	11.5	(38)
Corporative income tax receivables		2.8	3.9	39
Other current assets		34.0	36.1	6
Derivative financial instruments		9.9	12.7	28
Cash and cash equivalents		150.9	188.8	25
<b>Current assets</b>		<b>880.6</b>	<b>1,156.6</b>	<b>31</b>
Assets held for sale		0.9	0.9	(0)
<b>Total current assets</b>		<b>881.5</b>	<b>1,157.5</b>	<b>31</b>
<b>Total assets</b>	8	<b>3,141.9</b>	<b>3,473.1</b>	<b>11</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital	13	1,200.0	1,200.0	-
Legal reserves		39.9	51.1	28
Fair value reserves		73.9	76.8	4
Other reserves		207.5	207.9	0
(Accumulated losses)/Retained earnings		118.1	(88.4)	n.a.
<b>Equity attributable to the owners of the Company</b>		<b>1,639.4</b>	<b>1,447.4</b>	<b>(12)</b>
Non-controlling interests		3.2	3.2	0
<b>Total equity</b>		<b>1,642.6</b>	<b>1,450.6</b>	<b>(12)</b>
<b>Non-current liabilities</b>				
Long-term debts		264.1	264.3	0
Long-term lease liabilities		35.7	31.9	(11)
Other non-current liabilities		2.7	2.6	(4)
Employee benefits obligation		6.9	6.9	-
Provisions		412.7	412.9	0
Deferred tax liability		2.3	2.3	0
<b>Total non-current liabilities</b>		<b>724.4</b>	<b>720.9</b>	<b>(0)</b>
<b>Current liabilities</b>				
Bank loans and current portion of long-term debt		102.5	421.5	311
Current portion of long-term lease liabilities		13.3	11.6	(13)
Other current financial liabilities		2.4	5.7	138
Trade payables	15	324.4	316.2	(3)
Taxes and contributions		184.4	213.8	16
Corporate tax liabilities		31.7	3.5	(89)
Other current liabilities		51.5	294.4	472
Derivative financial instruments		12.1	16.6	37
Employee benefits obligation		0.5	0.5	-
Provisions		52.1	17.8	(66)
<b>Total current liabilities</b>		<b>774.9</b>	<b>1,301.6</b>	<b>68</b>
<b>Total liabilities</b>	14	<b>1,499.3</b>	<b>2,022.5</b>	<b>35</b>
<b>Total equity and liabilities</b>		<b>3,141.9</b>	<b>3,473.1</b>	<b>11</b>



**Condensed Consolidated Cash Flow Statement (Indirect method)**

For the period ended 30 June 2023 and 2024 (in EUR millions)

Q2 2023	Q2 2024	Note	H1 2023	H1 2024	%
<b>87.5</b>	<b>32.8</b>	<b>Profit/(loss) for the period:</b>	<b>73.3</b>	<b>44.7</b>	<b>(39)</b>
		<b>Adjustments for:</b>			
41.2	45.2	Depreciation, amortisation and impairment of property, plant and equipment and ROU asset (net)	84.9	85.0	0
15.0	7.2	Income tax (benefit)/expense recognised in profit and loss	12.2	9.4	(23)
1.6	3.8	Impairment charges (net)	6.2	4.3	(31)
(18.0)	(0.3)	Loss/(Gain) on sale of property, plant and equipment	(18.2)	(0.6)	(97)
(1.8)	1.4	Foreign exchange (gain)/loss	5.4	2.9	(46)
(0.6)	(0.7)	Interest income	(1.2)	(1.3)	8
1.1	3.0	Interest expense	1.9	4.5	137
(0.1)	(0.8)	Share of loss/(gain) of joint ventures accounted for using the equity method	(0.1)	(1.7)	n.a.
-	(0.8)	Other finance (income)/expense recognised in profit and loss	(0.6)	(1.8)	200
(31.2)	(27.0)	Increase/(decrease) in provision	(32.2)	(26.9)	(16)
3.7	5.8	Decommissioning interests and other provision	7.5	11.4	52
(12.7)	(1.4)	Net (gain)/loss on derivative financial instruments and hedge transactions	(22.1)	16.0	n.a.
(2.6)	-	Other non-cash items	(2.6)	-	n.a.
<b>83.1</b>	<b>68.2</b>	<b>Operating cash flow before working capital changes</b>	<b>16</b>	<b>114.4</b>	<b>145.9</b>
		<b>Movements in working capital</b>	<b>17</b>		
(57.3)	(83.9)	Decrease/(Increase) in inventories	1.2	(238.5)	n.a.
0.7	10.1	Decrease/(Increase) in receivables and prepayments	17.0	(7.8)	n.a.
92.2	13.2	(Decrease)/Increase in trade and other payables	(24.8)	22.3	n.a.
<b>118.7</b>	<b>7.6</b>	<b>Cash generated from operations</b>	<b>107.8</b>	<b>(78.1)</b>	<b>n.a.</b>
(163.2)	(33.8)	Taxes paid	(164.0)	(34.3)	(79)
<b>(44.5)</b>	<b>(26.2)</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<b>(56.2)</b>	<b>(112.4)</b>	<b>100</b>
		<b>Cash flows used in investing activities</b>			
(86.9)	(54.4)	Capital expenditures, exploration and development costs	(148.8)	(151.5)	2
(3.6)	(5.8)	Payments for intangible assets	(5.4)	(13.5)	150
26.3	0.7	Proceeds from sale of non-current assets	26.5	1.0	(96)
(85.1)	-	Investment in securities	(85.1)	-	n.a.
43.4	-	Proceeds from sale securities	43.4	-	n.a.
-	7.5	Dividends received from companies classified as non current financial assets and from other companies	-	7.5	n.a.
2.1	2.0	Interest received and other financial income	4.4	2.9	(34)
1.0	-	Loans and deposits given (net)	1.1	0.1	(91)
<b>(102.8)</b>	<b>(50.0)</b>	<b>Net cash used in investing activities</b>	<b>18</b>	<b>(163.9)</b>	<b>(153.5)</b>
		<b>Cash flows from financing activities</b>			
311.0	483.2	Proceeds from borrowings	311.0	777.4	150
(158.6)	(305.6)	Repayment of borrowings	(222.6)	(464.5)	109
(3.4)	(3.8)	Payment of lease liabilities	(6.7)	(7.2)	7
1.2	9.2	Interest paid	3.9	(6.3)	n.a.
<b>150.2</b>	<b>183.0</b>	<b>Net cash from financing activities</b>	<b>85.6</b>	<b>299.4</b>	<b>250</b>
2.9	106.8	Net increase/(decrease) in cash and cash equivalents	(134.5)	33.5	n.a.
90.8	81.0	At the beginning of the period	226.6	150.9	(33)
(1.4)	0.3	Effect of foreign exchange rate changes	(1.5)	3.7	n.a.
92.3	188.1	At the end of period	90.6	188.1	108
(1.5)	0.7	Overdrafts	0.2	0.7	250
<b>90.8</b>	<b>188.8</b>	<b>Cash and cash equivalents in statement of financial position</b>	<b>90.8</b>	<b>188.8</b>	<b>108</b>



**INA Group Summary Segmental Results of Operations**

Q2 2023	Q2 2024	(EUR mn)	H1 2023	H1 2024	%
<b>Net sales revenues</b>					
144.0	136.6	Exploration & Production	297.5	259.4	(13)
894.3	919.5	Refining & Marketing including Consumer services and Retail	1,640.2	1,697.9	4
55.8	59.2	Corporate and Other	101.8	117.8	16
(182.2)	(172.2)	Intersegment transfers and consolidation adjustments	(366.8)	(330.2)	(10)
<b>911.9</b>	<b>943.1</b>	<b>Total</b>	<b>1,672.7</b>	<b>1,744.9</b>	<b>4</b>
<b>EBITDA*</b>					
116.3	84.8	Exploration & Production	214.4	158.2	(26)
4.5	25.5	Refining & Marketing including Consumer services and Retail	(22.4)	37.8	n.a.
(0.3)	1.5	Corporate and Other	(5.9)	(0.2)	(97)
25.9	(18.5)	Intersegment transfers and consolidation adjustments	(2.8)	(42.6)	1,421
<b>146.3</b>	<b>93.2</b>	<b>Total</b>	<b>183.3</b>	<b>153.2</b>	<b>(16)</b>
<b>EBITDA Excluding Special Items</b>					
116.3	84.8	Exploration & Production	214.4	158.2	(26)
4.5	25.5	Refining & Marketing including Consumer services and Retail	(22.4)	37.8	n.a.
(0.3)	1.5	Corporate and Other	(5.9)	(0.2)	(97)
25.9	(18.5)	Intersegment transfers and consolidation adjustments	(2.8)	(42.6)	1,421
<b>146.3</b>	<b>93.2</b>	<b>Total</b>	<b>183.3</b>	<b>153.2</b>	<b>(16)</b>
<b>Profit/(Loss) from operations</b>					
100.9	66.1	Exploration & Production	180.8	126.2	(30)
(15.7)	4.2	Refining & Marketing including Consumer services and Retail	(62.6)	(4.9)	(92)
(6.1)	(3.8)	Corporate and Other	(17.1)	(10.6)	(38)
26.0	(18.5)	Intersegment transfers and consolidation adjustments	(2.7)	(42.5)	1,474
<b>105.1</b>	<b>48.0</b>	<b>Total</b>	<b>98.4</b>	<b>68.2</b>	<b>(31)</b>
<b>Profit/(Loss) from operations Excluding Special Items</b>					
100.9	66.1	Exploration & Production	180.8	126.2	(30)
(15.7)	4.2	Refining & Marketing including Consumer services and Retail	(62.6)	(4.9)	(92)
(6.1)	(3.8)	Corporate and Other	(17.1)	(10.6)	(38)
26.0	(18.5)	Intersegment transfers and consolidation adjustments	(2.7)	(42.5)	1,474
<b>105.1</b>	<b>48.0</b>	<b>Total</b>	<b>98.4</b>	<b>68.2</b>	<b>(31)</b>
<b>Property, plant and equipment</b>					
531.4	458.8	Exploration & Production	531.4	458.8	(14)
1,082.0	1,220.0	Refining & Marketing including Consumer services and Retail	1,082.0	1,220.0	13
134.3	145.8	Corporate and Other	134.3	145.8	9
(71.1)	(80.4)	Intersegment transfers and consolidation adjustments	(71.1)	(80.4)	13
<b>1,676.6</b>	<b>1,744.2</b>	<b>Total</b>	<b>1,676.6</b>	<b>1,744.2</b>	<b>4</b>

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

**Intersegment transfers and consolidation adjustments**

Intersegment transfers and consolidation adjustments indicate unrealised profit/loss on domestic crude oil and natural gas being transferred from Exploration and Production to Refining and Marketing but still being kept on INA inventory as crude oil/natural gas or finished/semi-finished product. Intersegment EBITDA effect on result in H1 2024 is EUR (42.6) million compared to EUR (2.8) million in H1 2023.



## Financial overview and notes

### Condensed Consolidated Statement of Profit or Loss

#### Notes

- 1 **Revenue from contracts with customers** in H1 2024 amounted to EUR 1,744.9 million and are 4% higher compared to H1 2023, primarily due to higher sale volumes
- 2 **Costs of raw materials and consumables** at EUR (375.9) million were 2% lower than H1 2023 level, reflecting different dynamic of refinery operation
- 3 Other **operating costs** realized in H1 2024 include:
  - Other material costs in the amount of EUR (129.5) million were higher by 20%, as a result of crude price changes
  - Service costs in the amount of EUR (38.2) million were approximately on the level of H1 2023
  - Depreciation, amortisation and impairment (net) in the amount of EUR (85.0) million was on the level of H1 2023
  - Impairment charges (net) had a negative effect in the amount of EUR (4.3) million in H1 2024 compared to negative effect in the amount of EUR (6.2) million in H1 2023
  - Provision for charges and risk (net) had a negative effect in the amount of EUR (9.2) million in H1 2024 compared to EUR (5.2) million negative effect in H1 2023
- 4 **Staff costs** in the amount EUR (138.9) million were 10% higher than the H1 2023, following salary increase
- 5 **Costs of other goods sold** in H1 2024 were 7% above H1 2023 level and amounted to EUR (1,037.9) million
- 6 **Net result from financial activities** is negative in H1 2024 mainly as a result of:
  - Net foreign exchange loss amounted EUR (2.9) million in H1 2024, while in H1 2023 loss reached EUR (5.4) million
  - Interest expense amounted to EUR (15.9) million and interest income were EUR 1.3 million in H1 2024, while in H1 2023 interest expense amounted to EUR (9.4) million and interest income were EUR 1.2 million
  - Other financial net gain amounted to EUR 1.8 million in H1 2024 compared to EUR 0.6 million in H1 2023
- 7 **Income tax expense** in H1 2024 amounted to EUR (9.4) million compared to EUR (12.2) million income tax expense in H1 2023. Tax costs and deferred taxes during the reporting period are calculated based on actual results and the profit tax rate, 18% for the periods ended 30 June 2024 and 2023

### Condensed Consolidated Statement of Financial Position

#### Notes

- 8 As at 30 June 2024 INA Group **total assets** amounted to EUR 3,473.1 million, 11% higher than 31 December 2023
- 9 In the period ended 30 June 2024, INA Group invested EUR 13.4 million in **intangible assets**. The effect of depreciation equals EUR 2.5 million
- 10 In the period ended 30 June 2024, INA Group invested EUR 150.8 million in **property, plant and equipment**. The effect of depreciation reduced net book value in the amount of EUR 72.7 million
- 11 **Inventories** amounted to EUR 565.4 million and increased compared to EUR 345.4 million on 31 December 2023 mostly related to higher domestic and imported crude
  - During H1 2024, EUR 4.5 million was recognized as reversal of impairment of refined products and work in progress (in H1 2023: EUR 19.1 million was recognised as reversal of impairment of refined products and work in progress) within Changes in inventories of finished products and work in progress within Statement of profit or loss
  - During H1 2024, EUR 1.5 million was recognized as reversal of impairment of merchandise (in H1 2023: EUR 4.2 million was recognised as reversal of impairment of merchandise) within Cost of goods sold within Statement of profit or loss
- 12 **Trade receivables (net)** amounted to EUR 338.2 million, which is 6% higher than on 31 December 2023
- 13 **Share capital** as at 30 June 2024 amounted to EUR 1,200.0 million. By the decision of the General Assembly and legal obligations to adjust the share capital after currency conversion Croatian kuna to euro, the registered capital was increased in August 2023 from EUR 1,194.5 million to EUR 1,200.0 million
- 14 As at 30 June 2024 **total liabilities** amounted to EUR 2,022.5 million, 35% higher compared to 31 December 2023. INA Group **net debt** amounted to EUR 497.0 million and increased compared to 31 December 2023. **Net gearing** increased from 11.6% as at 31 December 2023 to 25.5% as at 30 June 2024
- 15 **Trade payables** amounted to EUR 316.2 million and decreased by 3% compared to 31 December 2023 mainly due to higher import crude



### Condensed Consolidated Cash Flow Statement (Indirect method)

#### Notes

- 16 The **operating cash flow before working capital changes** amounted to EUR 145.9 million in H1 2024 representing an increase compared to H1 2023, which is in line with the change in EBITDA performance excluding non-cash items
- 17 **Movements in working capital** affected the operating cash flow negatively by EUR (224.0) million, due to:
- Increase in value of inventories in the amount of EUR (238.5) million, mainly related to higher volumes
  - Increase in receivables in the amount of EUR (7.8) million
  - Increase in trade and other payables in the amount of EUR 22.3 million, mainly related to higher import in line with processing dynamics
- 18 **Net cash used in investing activities** amounted to EUR (153.5) million of outflows, primarily related to investment in Refining operations, which is below EUR (163.9) million outflows in H1 2023, reflecting different investment dynamic

### Special items in operating profit and EBITDA

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 a 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.

### Financial instruments and risk management

Risk Management procedures of INA Group are described in detail in Consolidated and separate Financial Statements of INA for the year ended 31 December 2023.

As of 30 June 2024 INA Group had:

- Opened forward commodity swap transactions to hedge its exposure to changes in pricing periods and fixed price contracts
- Contracted and available short-term credit lines amounted to EUR 521 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 amounted to EUR 300 million
- Issued long-term bond of EUR 265 million, with a fixed annual interest rate and maturity in December 2026

### Russia – Ukraine conflict

Management is continuously investigating and assessing the possible effects of the current geopolitical situation, international sanctions and other possible limitations on the supply chain and business activities of INA Group, driven by the Russia's invasion of Ukraine that commenced on 24 February 2022. INA Group exposure to Russia and Ukraine does not require any adjustments to these financial statements as of 30 June 2024, and is not expected to jeopardize the business continuity of the Group.



**Changes in equity**

EUR mn	Share capital	Legal reserves	Fair value reserves	Other reserves	(Accumulated losses)/ Retained earnings	Attributable to equity holders of the parent company	Non controlling interest	Total
<b>Balance at 1 January 2023</b>	<b>1,194.5</b>	<b>33.2</b>	<b>58.0</b>	<b>214.4</b>	<b>81.0</b>	<b>1,581.1</b>	<b>2.9</b>	<b>1,584.0</b>
Profit/(loss) for the period	-	-	-	-	73.1	73.1	0.2	73.3
Other comprehensive gain/(loss), net	-	-	12.9	(7.0)	-	5.9	-	5.9
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>12.9</b>	<b>(7.0)</b>	<b>73.1</b>	<b>79.0</b>	<b>0.2</b>	<b>79.2</b>
Transfer to legal reserves	-	12.2	-	-	(12.2)	-	-	-
Dividends paid	-	-	-	-	(200.0)	(200.0)	-	(200.0)
<b>Balance at 30 June 2023</b>	<b>1,194.5</b>	<b>45.4</b>	<b>70.9</b>	<b>207.4</b>	<b>(58.1)</b>	<b>1,460.1</b>	<b>3.1</b>	<b>1,463.2</b>
<b>Balance at 1 January 2024</b>	<b>1,200.0</b>	<b>39.9</b>	<b>73.9</b>	<b>207.5</b>	<b>118.1</b>	<b>1,639.4</b>	<b>3.2</b>	<b>1,642.6</b>
Profit/(loss) for the period	-	-	-	-	44.7	44.7	-	44.7
Other comprehensive gain/(loss), net	-	-	2.9	0.4	-	3.3	-	3.3
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>2.9</b>	<b>0.4</b>	<b>44.7</b>	<b>48.0</b>	<b>-</b>	<b>48.0</b>
Transfer to legal reserves	-	11.2	-	-	(11.2)	-	-	-
Dividends paid	-	-	-	-	(240.0)	(240.0)	-	(240.0)
<b>Balance at 30 June 2024</b>	<b>1,200.0</b>	<b>51.1</b>	<b>76.8</b>	<b>207.9</b>	<b>(88.4)</b>	<b>1,447.4</b>	<b>3.2</b>	<b>1,450.6</b>

### Related party transactions

INA Group has dominant position in Croatia in oil and gas exploration and production, oil refining and sale of gas and petroleum products. As a result of the strategic position of INA Group 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 H1 2024, INA Group entered into the following trading transactions with the following related parties:

INA Group	Sales of goods	Purchase of goods
EUR mn	30 June 2024	30 June 2024
<b>Companies available for sale</b>		
JANAF d.d. Zagreb	0.5	3.8
<b>Governing company</b>		
MOL Nyrt.	51.6	50.3
<b>Companies controlled by governing company</b>		
Tifon d.o.o.	70.6	0.5
MOL & INA d.o.o.	19.5	-
SLOVNAFT, a.s.	6.0	154.4
MOL Petrochemicals Co. Ltd.	2.6	-
MOL Slovenija d.o.o.	0.7	-
MOL Serbia d.o.o.	0.2	-
ISO-SZER Kft.	0.2	8.3
Geoinform Kft.	0.1	0.1
MOL Commodity Trading Kft.	0.1	28.2
MOL LUB Kft.	-	0.1
FGSZ Zrt.	-	0.1

INA Group	Amounts owed from related parties	Amounts owed to related parties
EUR mn	30 June 2024	30 June 2024
<b>Companies available for sale</b>		
JANAF d.d. Zagreb	0.1	0.9
<b>Governing company</b>		
MOL Nyrt.	6.0	21.0
<b>Companies controlled by governing company</b>		
MOL & INA d.o.o.	11.0	-
MOL Commodity Trading Kft.	8.8	11.5
Tifon d.o.o.	8.5	0.6
SLOVNAFT, a.s.	4.1	55.4
MOL Petrochemicals Co. Ltd.	0.7	-
MOL Slovenija d.o.o.	0.5	0.6
MOL Serbia d.o.o.	0.2	0.1
ISO-SZER Kft.	0.1	0.5
MOL Slovenia Downstream Investment B.V.	-	3.5
Geoinform Kft.	-	0.2

### Management representation

Consolidated financial statements of INA Group for H1 2024 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:

- Zsuzsanna Ortutay – President of the Management Board
- Károly Hazuga – Member of the Management Board
- Zsombor Marton – Member of the Management Board
- Miroslav Skalicki – Member of the Management Board
- dr.sc. Hrvoje Šimović – Member of the Management Board
- Marin Zovko – Member of the Management Board

