

Talks are being held on the state's buyout of MOL's stake in oil company INA and that the decision should be made by mid-2021, said Croatian Minister of Economy and Sustainable Development Tomislav Coric.

Minister Coric said that the Government sent the offer to MOL in November last year and now the Hungarian side is analyzing the offer, with constant consultations with the Government. However, he did not provide any details regarding the offer.

He pointed out that the process has to be concluded soon because more than four years have passed since the Government's decision to go with the buyout.

Last June, the consulting company Lazard presented to the INA Council its preliminary report on the in-depth survey of INA's business and its value, and in September the final report on the assessment of INA's value. Minister Coric already talked with MOL's CEO about the possible purchase of MOL's share in INA at the end of June after the presentation of the preliminary report, and announced further talks with MOL's management after the presentation of the final Lazard report. After the presentation of the final Lazard report in September, Minister Coric said that the Government is continuing the process with the Hungarian side in the direction of agreeing on a price, if the Hungarian side agrees to it, adding that the Government strongly supports the buyout of MOL's shares in Croatian oil company. At the time, the Minister also said that the purchase of INA from MOL should not burden the budget, but he did not disclose the financial details of a possible transaction. In late 2016, Prime Minister Andrej Plenkovic announced the Government's intentions to buy back the stake of Hungarian oil company MOL in Croatian oil company INA, adding that the best model for financing the buyout would be the initial public offering (IPO) of 25 % minus one share of state-owned power utility HEP, since Croatia will keep, with 75 % plus one share, all management rights in HEP without selling national resources. However, the HEP option seems to be scrapped in the meantime. MOL is the single largest shareholder in INA with 49.1 % of shares, while the Croatian Government holds 44.8 %. The remaining 6.1 % is held by private and institutional shareholders.