

Croatian oil company INA said that it has recorded a net profit in the amount of 77 million euros in the first quarter of 2022, compared to a profit of just 6.6 million euros in the same period last year.

High hydrocarbon price levels have continued in the first quarter of 2022 reflecting the increased geopolitical risk and uncertainty regarding effects of sanctions on global energy markets. In such environment, results show a strong INA Group's EBITDA in Q1 2022 amounting to more than 145.3 million euros.

Exploration and Production revenues (185 million euros) and EBITDA (115.7 million euros) roughly doubled in the supportive price environment, significantly overcompensating the effect of expected natural decline of production.

Negative cash flow of Refining and Marketing including Consumer services and Retail segment was partially reduced by the improved CCS EBITDA that amounted to 31.4 million euros on the back of better captive market fuels and natural gas sales.

Investment activities intensified and CAPEX spending increased threefold compared to Q1 2021 with CAPEX level of 112 million euros, of which majority spent in Refining and Marketing. Rijeka refinery upgrade project, as the main strategic investment, continues with construction works and equipment delivery to the site. Also, Croatian offshore campaign continues with two new wells finished, one of them already connected to production system of the Ika field.

President of INA's Management Board Sandor Fasimon said that global markets continue their volatile trend, in line with the high level of uncertainty in global economy and trade, although their level shows a more favorable environment for oil and gas companies. Sharp rise in both oil and gas prices is the main driver of the strong revenue growth in the entire oil and gas industry.

In such environment, Exploration and Production stays the biggest cash generator of the company. Offshore campaign is the main investment activity of the segment, aimed at moderating natural decline and assisting the safe market supply from domestic sources, important in the time of rising geopolitical challenges.

Despite the increased overall prices, Customer Services and Retail sales stayed strong and no major disturbances in the market supply occurred, proving INA's reliable service on the core markets, regardless of the market uncertainty. As a result of these factors INA EBITDA exceeded 145 million euros in just first quarter of 2022, with the usually stronger summer quarters yet to come.