

The year 2020 was one of the most challenging years for global economy, but also for INA – Croatian oil company which recorded a net loss in the amount of 84 million euros in 2020, compared to 65 million euros profit in the previous year.

Regardless of the partial oil market recovery in the second half of 2020, oil and gas prices were more than 30 % lower in average compared to 2019. This had significant impact on the Upstream result, but the severe mobility restriction and significant decline in economic activity in general, caused by lockdowns, also impacted the Refining and Retail operations. The Group's net sales revenues amounted to 1.95 billion euros, compared to 2.98 billion euros in 2019.

Domestic crude oil production was lower as a result of natural decline and increased water cut on main fields. However, crude oil production in Egypt increased by 3 % in 2020. Slightly higher production at North Bahariya and East Yidma concessions was offset by lower Ras Qattara and West Abu Gahradig production. Investment level decreased compared to 2019, as result of projects rescheduling due to Brent price decrease and COVID-19 pandemic. INA undertakes activities aimed at mitigating negative trends – on Izabela offshore exploration area drilling of well Irena-2 was completed in October and well testing is completed with gas confirmed, on Drava-02 exploration area well testing of Jankovac-1 well was successfully completed and will be followed by commercial discovery decision, and on Drava-03 in mid-September seismic activities are ongoing on Crnac West polygon.

Company's timely reaction to changes in the macro environment helped to maintain INA's cash flow at positive level, while at the same time securing stable financial position.

Operational result moved in line with the deteriorated environment while CCS EBITDA excluding special items of INA Group dropped to 235.5 million euros. The result was also significantly impacted by one-off non-cash items.

Operation of Exploration and Production, traditionally the main driver of result, was marked by the mentioned drop in realized prices of 32 % and 13 % lower production due to natural decline. This drove EBITDA to 133.7 million euros. CCS EBITDA excluding special items of Refining and Marketing including Consumer Services and Retail stayed strong at 84.4 million euros in 2020, mainly due to retail contribution, although reported result of the segment remains negative, additionally impacted by the one-off costs related to Sisak site transformation. Retail performance and sales volumes deteriorated due to the weaker tourist season and lockdown, with volumes decreased by 16 % year-on-year, still the segment had a strong performance considering the challenging environment.

Investment activities were also adjusted in order to safeguard the financial stability of the company, which resulted in 40 % lower net debt compared to 2019 and gearing of 14.7 %, while at the same time INA stayed committed to the strategic projects.