



Investor Relations Release

Zagreb, 31 August 2022

INA - INDUSTRIJA NAFTE, d.d.

Av. V. Holjevca 10

10 020 Zagreb, Croatia

LEI: 213800RUSOIJPD19H13

Ordinary shares INA-R-A ISIN HRINA0RA0007

Listed on the Zagreb Stock Exchange Official market

Announcement in line with Zagreb Stock Exchange rules

Member State: Republic of Croatia

Subject: Management and Supervisory Board meeting

At today's extraordinary session, the Supervisory Board of INA took note of the conclusions from the extraordinary session of the INA Management Board, held yesterday about USKOK's investigation against Damir Škugor. The preliminary findings of the internal investigation (which will be complemented) were presented, according to which a certain number of points were identified in which Damir Škugor and his subordinates clearly violated internal rules and procedures which led to substantial financial damage of INA.

In accordance with the preliminary internal findings, the INA Management Board decided to undertake a series of personal, corrective, and preventive actions. First, it decided to suspend Damir Škugor from the position of Director of Gas and Energy, and his employment contract will be terminated. Damir Škugor will be recalled from the supervisory boards where he represents INA as a shareholder. Also, other employees who are found to have acted negligently within their responsibilities and authority in relation to this case will be suspended.

To avoid further damage to INA, the INA Management Board stopped all further payments and obligations related to disputed contracts and requested the termination of these contracts that are the subject of USKOK's investigation, after legal review. In the meantime, all decision-making and signature rights related to any sale of gas with a fixed gas price have been temporarily suspended. Until further notice, the INA Management Board will be the decision-maker for submitting binding offers or concluding any gas sales contract with a fixed gas price.

Furthermore, INA will undertake all necessary activities to initiate proceedings with the aim of recovering financial resources. Given that the control mechanisms at INA did not function adequately in business processes, the Supervisory Board of INA requested an external audit of internal processes, decision-making principles, and gas sales and purchase contracts, all for the purpose of improvement and transparency of business processes. The final report of INA's internal investigation is expected in the coming weeks, and additional control mechanisms will be introduced as a result.