



## Dear Conference Attendees,

On behalf of INA, I am very pleased to once again support this important oil industry downstream event - the INTERNATIONAL DOWNSTREAM WEEK – IDW 2021, which is to be held in in Dubrovnik next September.

2020 was challenging due to extreme market situation, demand fall and sharp drop in oil and gas prices, and most O&G companies had to adapt their operations. This is the reason why I believe it is important to meet and listen to other colleagues and their experiences. I'm looking forward to hearing what you have learned during the last year and which creative solutions and progressive technologies you think are needed now more than ever in order to unite, shape and drive the downstream industry forward.

For years INA has been the leading Croatian energy company, as well as one of the regional players when it comes to sale of oil and oil derivatives, and we intend to keep that position in the future. Sustainable development is one of INA's fundamental business principles and we wish to keep building it further on our core businesses. We launched a new investment cycle in accordance with our development guidelines that will enable us to create the basis for new growth and sustainable long-term future of INA. Despite the economic crises in 2020 that stroke our industry, INA stayed committed to strategic projects and smart investments that will yield a return.

One of those investments is the Residue Upgrade Project implementation in the Rijeka Refinery, which started in 2020. The project represents an important milestone for the company's future and in the implementation of the INA Downstream 2023 New Course program, a comprehensive program focused on sustainability and profitability through changes of the current downstream business model. It will transform the Rijeka Refinery into a modern European refinery and will keep INA's strong position on the market. It's a major investment that will significantly affect the company's business in the future and will ensure the fund for financing transformation projects in the future. Thanks to the Residue Upgrade unit, the product structure of Rijeka Refinery will improve by increasing the share of profitable white products, i.e. motor fuels. Commission is planned for 2023. The total investments are worth around USD 600 mln., thus representing the single largest investment project in the history of the company in Croatia. We have also continued with the development of sustainable alternatives on Sisak site, including the bitumen production, logistics center, solar power plant and bio-component refinery. The Biorefinery project would allow INA to produce second generation biofuels, alongside producing green energy. In 2020 the project recently met the formal criteria defined by the Ministry of Economy and Sustainable Development and was officially included in the Strategic Projects List. Furthermore, it was submitted for financing through the EU Innovation Fund, which is one of the prerequisites for making a final investment decision.



It is also important to mention that we are in the early stages of planning the hydrogen project that we believe could have great potential in Croatia in the transport sector as a non-emission fuel as Rijeka Refinery is the largest producer of hydrogen in Croatia. As part of the joint cooperation between INA, the City of Zagreb and ZET, a project of introducing hydrogen as a fuel was successfully applied for an open call "Fuel Cell Hydrogen Joint Undertaking Development Assistance Project - FCH JU PDA". The project involves a completely new value chain of hydrogen as an alternative fuel – from production in the company, transportation to hydrogen filling stations at the ZET bus terminal, to the procurement of twenty new hydrogen buses for city needs.

The Oil industry is one of the most volatile sectors of economy in the world and the transformation of the industry is already under way and additionally boosted given the last year circumstances. This conference is an opportunity to gain new insights in that direction, so I believe you will benefit from the program and networking at this event.

**Best regards,**

**Sándor Fasimon**

**President of the Management Board of INA**