

Announcement

**NOTES SUBSCRIPTION INVITATION
to subscribe the Notes issued by INA – INDUSTRIJA NAFTE, d.d.**

INA-INDUSTRIJA NAFTE, d.d., having its seat in Zagreb, Avenija V. Holjevca 10, registered with the Court Registry of the Commercial Court in Zagreb under registry no. (MBS): 080000604, OIB: 27759560625 (the **Issuer**) intends to issue notes on the domestic capital market up to the amount of HRK 2,000,000,000.00, with a fixed annual interest rate and semi-annual interest payments and one-off maturity of the principal after five years with the ticker INA-O-26CA and the ISIN HRINA0026CA0 (the **Notes**).

The Notes are issued on the basis of the Decision of the Management Board br. 26-1/21 dated 15 September 2021. Pursuant to the aforementioned Decision of the Management Board, the Issuer shall, immediately after their issuance, submit application for admission to trading of the Notes to the Official Market of the Zagreb Stock Exchange Inc.

The joint lead managers are Erste&Steiermärkische Bank d.d., Rijeka, Jadranski trg 3/a, OIB: 23057039320, Privredna banka Zagreb d.d., Zagreb, Radnička cesta 50, OIB: 02535697732, and Raiffeisenbank Austria d.d., Zagreb, Magazinska cesta 69, OIB: 53056966535 (the **Joint Lead Managers**).

On 11 November 2021, the Issuer published on websites of the Zagreb Stock Exchange Inc. (the **Zagreb Stock Exchange**) (<https://eho.zse.hr/fileadmin/issuers/INA/COI-INA-daa1866f711e41c9a20a7c5111074417.pdf>) and on websites of the Issuer (<https://www.ina.hr/wp-content/uploads/2021/11/Prospekt-obveznice-INA-O-26CA.pdf>), the Simplified Prospectus for Public Offering and Listing of Notes of the Issuer dated 10 November 2021 (the **Prospectus**). Only the information contained in the Prospectus are relevant for making a decision to invest in the Notes. The approval of the Prospectus by the Croatian Financial Services Supervisory Agency shall not be considered as an approval of nor a recommendation to invest in the Notes. It is recommended to potential investors to read the Prospectus before making an investment decision in order to fully understand potential risks and benefits related to a decision to invest in the Notes.

The Notes issue shall be conducted as a public offering to qualified investors, as this term is defined by the Capital Market Act (Official Gazette no. 65/2018, 17/2020, 83/2021) (the **Qualified Investors**) who are willing to subscribe the Notes at least in the amount of HRK 1,000,000.00, for each individual offer.

During the offer period for the Notes (the **Offer Period**), interested Qualified Investors shall indicate in the subscription form the nominal amount of the Notes they are ready to subscribe and pay for. The Joint Lead Managers shall collect subscription forms.

For the purposes of the rules of the law of obligations, this Notes Subscription Invitation shall not be considered as an offer, but only as an invitation to submit offers under the published terms and conditions. The submission of a duly completed and signed subscription form by a Qualified Investor during the Offer Period shall be considered as an offer to subscribe the Notes.

Terms capitalized in this Notes Subscription Invitation, unless otherwise defined herein, have the meaning set forth in the Prospectus.

BASIC TERMS OF THE NOTES ISSUE

Basic terms of the Notes issue:	
Issuer:	INA – INDUSTRIJA NAFTE, d.d.
Country of the Offer:	Republic of Croatia
Type of Security:	Unsubordinated and unsecured note
Targeted Nominal Amount of the Issue:	Up to HRK 2,000,000,000.00
Denomination:	HRK 1,000,000.00
Minimum Subscription Amount:	HRK 1,000,000.00
Settlement Currency:	HRK
Ticker:	INA-O-26CA
ISIN:	HRINA0026CA0
Issue Date:	6 December 2021
Principal Maturity Date:	6 December 2026
Settlement Date:	6 December 2021
Repayment of Principal:	One-off, at maturity
Interest Rate:	Fixed
Interest Payment:	Semi-annual
Issue Price:	The Issue Price will be determined based on the established Yield and the Fixed Interest Rate, no later than on the first Business Day after the Offer Period.
Yield:	Reference Interest Rate increased by the Risk Premium
Fixed Interest Rate:	The Fixed Interest Rate will be determined on the basis of the Yield to maturity by rounding the decimal number of the Yield to maturity to the first full eighth of a percentage point or, if the decimal number of the Yield to maturity is a full eighth of a percentage point, then the interest rate will be equal to the Yield to maturity.
Reference Interest Rate:	The Reference Interest Rate will be determined based on the bid yield of the HRK bond of the Ministry of Finance of the Republic of Croatia RHMFO26CA (ISIN: HRRHMFO26CA5) maturing on 14 December 2026, based on bid yields from five largest credit institutions based in the Republic of Croatia, as follows: Erste & Steiermärkische Bank d.d., OTP banka d.d., Privredna banka Zagreb

	d.d., Raiffeisenbank Austria d.d. and Zagrebačka banka d.d. The highest and lowest bid yields will not be taken into account, while the average will be calculated from the remaining bid yields. If any of the bid yields from the listed financial institutions is not available, the bid yields from the listed financial institutions that will be available at that time will be taken into account.
Risk Premium:	0.70 p.p.
Paying agents during the public offer and issue of Notes:	Erste&Steiermärkische Bank d.d., Privredna banka Zagreb d.d. and Raiffeisenbank Austria d.d.
Depository and paying agent during the public offer and issue of Notes:	Central Depository & Clearing Company Inc. (SKDD)
Listing:	Official Market of the Zagreb Stock Exchange
Joint Lead Managers:	Erste&Steiermärkische Bank d.d., Privredna banka Zagreb d.d., and Raiffeisenbank Austria d.d.
Orderbook:	Pot orderbook The order of an individual Qualified Investor given to any Joint Lead Manager is visible to all Joint Lead Managers and the Issuer.

NOTE ISSUE AND LISTING TIMETABLE

Notes issue and listing timetable:	
Start of the Offer Period:	1 December 2021 at around 09:00
End of the Offer Period:	1 December 2021 at around 14:00
Publication of the Final Price and Allocation Notice:	No later than the first Business Day after the end of the Offer Period (2 December 2021)
Delivery of the Allocation Information to Qualified Investors:	No later than the first Business Day after the end of the Offer Period (2 December 2021)
Delivery of Payment Instructions to Qualified Investors:	No later than the first Business Day after the end of the Offer Period (2 December 2021)
Date of issue and admission of the Notes in SKDD:	No later than three Business Days after the end of the Offer Period (6 December 2021)
Publication of the Final Issue Terms Notice:	6 December 2021
Listing of the Notes on the Official Market of the Zagreb Stock Exchange:	After approval of the listing by the Zagreb Stock Exchange, expected no later than 9 December 2021



During the Offer Period, the Issuer may amend the contents of this Notes Subscription Invitation (including in the part related to the duration of the Offer Period) by publishing the relevant changes to the Notes Subscription Invitation in the same way as the Notes Subscription Invitation.

The Issuer reserves the right to withdraw this Notes Subscription Invitation at any time until the Notes are registered in the SKDD's information system on the Issue Date. In such an event, any Qualified Investor who subscribed and paid for the Notes shall be entitled to the refund of the paid funds no later than seven Business Days from the date of the Issuer's withdrawal of this Notes Subscription Invitation, whereas such a Qualified Investor shall not be entitled to interests or default interests.

In the event that it withdraws this Notes Subscription Invitation, the Issuer may publish another notes subscription invitation so long as the Prospectus is valid in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.

The information on the total amount of the Notes that the Qualified Investors were ready to subscribe and pay for during the Offer Period, the total allocated amount of the Notes, the Yield, the Fixed Interest Rate and the Issue Price will be published in the Final Price and Allocation Notice on the website of the Issuer after the expiry of the Offer Period.

No later than the first Business Day after the end of the Offer Period, the Joint Lead Managers (or one of them) shall provide Qualified Investors with an Allocation Information and Payment Instruction.

The Allocation Information will state the nominal amount of the Notes allocated to the respective Qualified Investor, while the Payment Instruction will define the deadline and method of payment for the allocated Notes.

Qualified Investors will be required to pay for the allocated Notes as instructed in the Payment Instructions.

If the payment is not made by a Qualified Investor within the deadline specified in the Payment Instructions, it shall be deemed that such Qualified Investor has forfeited the subscription of the Notes. The Issuer shall not be obliged to take the late payment into account, but the Issuer may, at its own discretion, accept such late payments into account if that would not in any way jeopardize the Notes issue in accordance with and within the deadlines stipulated by applicable regulations and the Prospectus.

Irrespective of the total interest of the Qualified Investors for subscription for the Notes (individually and in total), the Issuer reserves the right to decide at its discretion and after consultation with the Joint Lead Managers on the total nominal amount of the issue of the Notes (in any case up to maximum HRK 2,000,000,000.00) and on the final allocation of the Notes. Consequently, there is a possibility that a smaller nominal amount of the Notes is allocated to Qualified Investors than they have subscribed for.

In the event that a Qualified Investor has paid a larger amount than the amount required for payment of the allocated Notes, as indicated in the Payment Instructions, the overpaid amount shall be refunded to the account from which the payment was made and/or which is indicated in the subscription form no later than seven Business Days from the Issue Date, whereby the Qualified Investor is not entitled to interest or default interests.

In case a Qualified Investor pays a lower amount than the amount required for payment of the allocated Notes, as specified in the Payment Instructions, Notes are allocated in accordance with the lower amount paid. If a Qualified Investor pays an amount lower than the amount required to pay for the Minimum Subscription Amount, Notes will not be allocated to that Qualified Investor, and the paid amount will be refunded not later than within seven Business Days from the Issue Date, wherein it will be not entitled to any interest or default interests.

The Issuer will not bear payment transaction costs, or any other costs incurred by any Qualified Investor related to the subscription and payment of the Notes.

The information on the final amount of the Notes to be issued on the Issue Date will be published in the Final Issue Terms Notice on the Issuer's website.

The Notes will be delivered to Qualified Investors upon their registration in the accounts of the Qualified Investor or the person holding the book-entry security for the Qualified Investor's account in the central depository of book-entry securities operated by SKDD.



Notes can be traded after their issue and after the expected admission of the Notes to the Official Market of Zagreb Stock Exchange.

INSTRUCTIONS FOR SUBSCRIPTION OF THE NOTES

Qualified Investors shall subscribe the Notes by means of a subscription form, which is available on the website of the Zagreb Stock Exchange <https://eho.zse.hr/fileadmin/issuers/INA/COI-INA-e15efc31a528beb5c2df7f08ca1200d3.pdf> and the website of the Issuer <https://www.ina.hr/wp-content/uploads/2021/11/Subscription-form-bond.pdf> (the **Subscription Form**).

The completed and signed Subscription Forms shall be delivered to one of the Joint Lead Managers in electronic form, by fax or in person, at the latest by the end of the Offer Period to the addresses/contacts listed below. If the Subscription Form is submitted to more than one Joint Lead Manager, it will be treated as a single order and will not be aggregated. Qualified Investors agree that Joint Lead Managers forward to the Issuer, without any delay, all the information contained in the received Subscription Forms.

For any additional questions, Qualified Investor may contact one of the Joint Lead Managers by using the following contacts:



Erste & Steiermärkische Bank d.d.:

Institutional Distribution Team

Tel: 072 372 288

Fax: 072 371 938

E-mail: institutional.sales@erstebank.hr



PBZ je član grupe INTESA | SNNBIOLO

Privredna banka Zagreb d.d.:

Corporate Banking Products, Capital Markets

Tel: 01/ 6360 702 ili 01/6364 477/476

Fax: 01/ 6360 743

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Raiffeisenbank Austria d.d.:

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