

NIS PUBLISHES AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2017

NIS has published Audited Consolidated Financial Statements for 2017 prepared in accordance with the International Financial Reporting Standards (IFRS).

In 2017, NIS Group significantly improved its financial results compared to the previous reporting period and started implementing the strategic projects which will ensure further development of NIS as the leader in the Balkan market of petroleum products.

Last year, net profit amounted to RSD 27 billion, which is by 80% better year-on-year. At the same time, EBITDA indicator (earnings before interest, taxes, depreciation, and amortization) amounted to RSD 47 billion, which is an increase of 18% year-on-year. The improved financial results were achieved owing to the rise in crude oil prices in the global market, positive exchange differences, increased sales volume and implementation of the programmes of measures aiming to increase operational efficiency in NIS whose effect on EBITDA indicator in 2017 is estimated at RSD 7.2 billion.

Last year, NIS also implemented a large investment programme amounting to RSD 26.5 billion, 2% more than in 2016, with the largest amount invested in the segment of oil and gas exploration and production and modernization of the Pančevo Oil Refinery. Furthermore, NIS liabilities in terms of taxes and other public revenues also continued to rise, amounting to RSD 171 billion, which represents a 5% increase year-on-year. For the fifth consecutive years, NIS paid a dividend to the shareholders in the amount equal to 25% of the net profit in 2016, earmarking more than RSD 4 billion for the purpose.

In terms of operational indicators, the Business Plan was exceeded in the area of oil and gas exploration and production, with the total of 1.4 million tonnes of oil equivalent and gas, with a 3.1% growth of the resource base. Last year, the total crude oil and semi-finished product processing volume amounted to 3.6 billion tonnes, which represents an increase of 9% year-on-year. In October 2017, the Bottom-of-the-Barrel facility including delayed coker started being constructed in the Pančevo Oil Refinery, which is an investment worth more than EUR 300 million. The new facilities are expected to become operational as of 2019, thus enabling the Pančevo Oil Refinery to join the ranks of the most modern refineries in Eastern Europe. Better results were also achieved in the area of petroleum product sales where the total sales volume amounted to 3.5 million tonnes, i.e. 5% more than in 2016. Additionally, NIS continued to modernize and develop its retail network in Serbia by opening three new petrol stations, reconstructing 11 more and purchasing one petrol station, and in the region, it extended its range of premium fuels. When it comes to the Energy, in 2017 NIS facilities generated 153,772 MWh of electricity, which is an increase of 4% year-on-year. In cooperation with Gazprom Energoholding, NIS signed the contract with Shanghai Electric Group to construct the Combined Heat and Power Plant in Pančevo, which is an investment worth over EUR 180 million.



On the occasion of publishing NIS 2017 business results, Kirill Tyurdenev, NIS CEO, said:

"In 2017, we improved our financial results significantly and made large steps in further NIS modernization. To crown the successful business year, we adopted the Development Strategy for the period till 2025 taking into account the interests of the major shareholders. NIS is entering the new round of investments and in 2018 alone we will invest almost RSD 47 billion which is the largest amount invested by NIS since 2013. I am convinced that the implementation of the projects which are already under way and the use of innovative technologies will help us keep the leading position in the regional energy market, finding fast and efficient responses to all challenges of the modern market".

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