

NIS GROUP PERFORMANCE **In 2019 NIS invested RSD 42.2 billion**

NIS is publishing revised consolidated financial statements for 2019, prepared in accordance with the International Financial Reporting Standards.

In 2019, NIS implemented the largest investment programme since 2013. A total of RSD 42.2 billion was invested in NIS' further development and modernisation, which is 3% more than in the previous year. Priority was given to investments in oil and gas exploration and production, further modernisation of the Pančevo Oil Refinery, development of the retail network in Serbia and in the region, and implementation of environmental projects in all business segments.

When it comes to financial indicators, NIS Group's net profit in 2019 was RSD 16.6 billion, while EBITDA (earnings before interest, taxes, depreciation, and amortisation) was RSD 44.5 billion. In this same period, tax liabilities and other public revenues of the NIS Group amounted to RSD 189.8 billion dinars. In the previous year, NIS was a secure source of income to its shareholders, and RSD 6.5 billion were paid in respect of dividends.

In 2019, a total of 1,286 million tonnes of oil and gas equivalent were produced on NIS' assets in Serbia and abroad, and hydrocarbon reserves were built up. Experimental oil and gas production on Romanian assets started, while 700 square kilometres of 3D seismic surveys were conducted in Serbia. In the Pančevo Oil Refinery, a total of 3,373 million tonnes of crude oil and intermediaries were processed. Moreover, 2019 saw a capital turnaround of the refinery, the biggest one since its foundation, with more than RSD 2 billion invested. The post-turnaround period was marked by a high refinery output, with record bitumen production of 59 thousand tonnes in October, which is the best monthly result in the last 10 years. What is more, construction of the bottom-of-the-barrel delayed coking unit was continued, and the project completion is planned for 2020. Total sales volume for petroleum products was 3,702 million tonnes, retail volume rose by 5%, and foreign assets also recorded a 21% growth in sales. In 2019, NIS Group continued modernising the retail network, resulting in three new state-of-the-art digital petrol stations on Serbian motorways, while the construction of the 19th retail store in Romania, the Otopeni filling station, was completed. As regards the energy industry, NIS and Gazprom Energoholding together started constructing the Pančevo Combined Cycle Power Plant (TE-TO Pančevo). The completion of this project, which will significantly boost NIS' and the partner's electricity generation capacity and contribute to stable operation of the Pančevo Refinery, is planned for 2020.

NIS has also achieved impressive results in occupational safety - the lost time incident frequency (LTIF) has dropped by 25% in relation to 2018. The investments were also focused on environmental projects, with RSD 534 million invested in 2019. In addition, NIS continued putting money into the community development, and invested more than RSD 371 million in socially responsible projects.



Kirill Tyurdenev, the CEO of NIS, stated:

“NIS had good financial and operating results in 2019, despite the average oil prices being almost 10% lower than the previous year. Our business was also significantly affected by the planned capital turnaround in the Pančevo Refinery. Owing to the investments made in accordance with our Development Strategy, we are entering 2020 with great ambition, as we expect completion of the Bottom-of-the-Barrel and Pančevo CCPP (TE-TO Pančevo) projects. Also, our number one priority is still the environment, since we in NIS believe that the business responsible to the community and natural resources is the only possible way to business success.”

Head of
Corporate Affairs Department

Mirjana Stanojevic