

NIS IS PUBLISHING AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2018

In 2018, NIS was focused on moving forward on its modernization journey, which encompassed further development and strategic projects in which it invested RSD 41 billion, 55% more than in the previous year. The majority of investments were aimed at exploration and production of oil and gas, whereas the largest individual investment project was the construction of the delayed coking unit in the Pančevo Oil Refinery, whose completion is planned for Q3 2019. The EBITDA indicator (earnings before interest, tax, depreciation and amortization) amounted to RSD 53.7 billion, i.e. 14% more than in 2017, whereas the company's net profit stood at RSD 25.1 billion. Moreover, NIS Group's tax liabilities and other liabilities payable to the government increased for 17% in comparison to the previous year, reaching RSD 192.7 billion. In 2018, NIS paid RSD 6.95 billion to its shareholders in dividends.

As for performance indicators, during 2018 the company archived the best results in the areas of refining and sales and distribution in the last 10 years. The total output of the Pančevo Oil Refinery was 3.8 million tonnes of oil and semi-finished products, which is a 6% increase in comparison to 2017. In 2018, the total sale and distribution of petroleum products reached 3.7 million tonnes, which is 7% more than in the previous year. Moreover, the company saw a 14% upturn in exports, which was a result of the increase in exports of motor fuels and other petroleum products. In the area of exploration and production, oil and gas production volume totalled 1.3 million toe. NIS's facilities produced 152 GWh of electricity, whereas the electricity trading volume contracted for 2018 reached 1.25 TWh. In cooperation with its partners, NIS continues works on the construction of the Pančevo Combined Cycle Power Plant (TE-TO Pančevo) and Plandište Wind Farm.

Mr. Kirill Tyurdenev, the CEO of NIS, stated:

"In 2018, we made considerable progress in further modernization of NIS. In line with our Business Strategy 2025, we continue building the foundations for long-term development of NIS Group, and our aim is to ensure that, at the end of this process, NIS emerges one of the most efficient energy companies in the Balkans. As a result, we plan to implement an ambitious investment program worth over RSD 40 billion in 2019, which is also the year in which we celebrate the 10th anniversary of the arrival of Gazprom Neft to Serbia and the start of complete transformation of NIS. Moreover, we will focus on digitalization in all our business operations, and we expect that this process will improve efficiency and ensure our ability to meet growing demands of our customers in Serbia and the wider region."

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