

NIS PUBLISHED Q1 2019 PERFORMANCE RESULTS

Focus on strategic projects – more than RSD 8 billion invested

NIS Group has published a report on its consolidated Q1 2019 performance, drafted pursuant to International Standards of financial Reporting.

Q1 2019 has seen NIS continuing the completion of strategic projects, which will represent the cornerstone of the company's further development. A total of RSD 8.3 billion have been invested, 6 per cent more than in the first three months of 2018. The greatest portion of investment has been dedicated to the exploration and production of crude oil and gas, while the priority in individual projects has been the continuation of investment in the "Bottom-of-the-Barrel" plant in the Pančevo Refinery, making it one of East Europe's ultimate technology refineries. Other than that, actions have been undertaken towards the completion of another two capital construction projects. March has seen the commencement of the construction of a combined heat and power plant (CCPP) in the town of Pančevo, in the Refinery compound, being carried out by NIS in association with "Gazprom Energo Holding". Furthermore, NIS continued its involvement in the Plandište Wind Farm project in association with the MET Group.

Indicator EBITDA (Earnings before Interest, Taxation, Depreciation & Amortisation) amounted to RSD 6.3 billion, while the net profit totalled RSD 158 million. NIS Group's Q1 accomplished financial performance has been affected by the plunging average prices of crude oil compared to the first trimester of 2018, turnaround in the Pančevo Refinery and higher amortisation. NIS Group paid RSD 40 billion to the state coffers.

In terms of operative indicators, 321 thousand tons of crude oil and gas equivalent have been produced in Q1 2019, with the total scope of refining the crude oil and semi-finished products amounted to 599 thousand tons. Along these lines, 726 thousand tons petroleum products have been sold. NIS Group also focused on streamlining occupational safety indicators, so the number of lost time Injuries per million exposure hours Indicator (LTIF indicator) was reduced by 38 per cent compared to previous year's Q1.

Kirill Tyurdenev, CEO of NIS said:

"Capital projects and further development of NIS remain our priorities in 2019. We also attach a special importance to the revamp of the Refinery in the town of Pančevo and the works in the construction of the "Bottom-of-the-Barrel" plant. Furthermore, in association with our partners we continue activities in the construction of a combined heat and power plant in the town of Pančevo and completion of the Plandište Wind Farm project. Other than that, in the rest of the year NIS will focus on boosting operative efficiency and streamlining financial and operative performance within the entire group".

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