

NIS GROUP BUSINESS RESULTS IN THE FIRST QUARTER OF 2021

NIS significantly improved financial results, net profit RSD 1.5 billion

NIS Group's operations in the first quarter of 2021 were strongly influenced by circumstances arising from the COVID-19 pandemic. Nevertheless, NIS has significantly improved its financial results compared to the first quarter of last year, while at the same time caring about the health of employees, associates and consumers. Measures to improve operational efficiency and financial discipline at all levels of the NIS Group, as well as rising oil prices and a slight recovery in demand for petroleum products when it comes to macroeconomic parameters, contributed to better NIS results. The average price of Brent oil in this period was \$60.9 per barrel, which is 21 percent more than in the first quarter of 2020.

NIS's net profit for the period January-March amounts to RSD 1.5 billion, which is 2.4 times more than the result achieved in the first quarter of 2020, when a loss of RSD 1.1 billion was recorded. The EBITDA indicator (profit before interest, profit tax and depreciation) is at the level of RSD 9.4 billion, which is 81 percent more than in the comparative period. In the first quarter of the current year, NIS continued with the implementation of capital projects and invested RSD 4.1 billion in further development. The calculated liabilities of the NIS Group on the basis of taxes and other public revenues amount to RSD 44.6 billion, i.e. 12 percent more than in the same period last year.

When it comes to operational indicators, the total volume of oil and gas production is 292,000 conditional tons of oil and gas. At the same time, NIS successfully carried out 2D seismic tests over 130 kilometers in the area of Obudovac village, Šamac municipality, and thus continued the development of the project in Republika Srpska. 752 thousand tons of crude oil and semi-finished products were processed in the Pančevo Oil Refinery in the first quarter of 2021. In March, the planned deadlock in the Refinery was successfully realized, during which investment maintenance projects were also implemented, which will contribute to the efficiency and reliability of production processes. The third phase of the modernization of the Pančevo Refinery has also begun, which includes the reconstruction of the fluid catalytic cracking plant (FCC) and the construction of a new ETBE plant (Ethyl tert-butyl ether). The total volume of turnover in the first quarter of the current year was 782 thousand tons. In this period, NIS continued the development of the retail network and began the construction of the Sokolići gas station, the first such facility on the Miloš Veliki highway.

At the same time, the safety of work processes was improved, as the injury indicator with lost days (LTIF indicator) decreased by 26 percent compared to the period January-March 2020.

Kirill Tyurdenev, the CEO of NIS, stated:

„The results achieved in the first quarter of 2021 showed the correctness of NIS's business model in conditions of crisis and our perseverance to best deal with negative trends. However, we are aware that the crisis has not yet passed and that numerous challenges remain ahead



of us. This is why we will remain committed to systematically improving efficiency in all areas, financial discipline and the completion of capital projects that will strengthen our competitiveness.“

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