

NIS GROUP OPERATING RESULTS FOR 9 MONTHS OF 2019

NIS has invested 29 billion dinars, 6% increase compared to last year

In the first nine months of this year, NIS has kept on increasing the volume of investment aimed at its own development, thus the period between January to September ended with an investment totalling 29 billion RSD. The investments exceed last year's volume by 6% resulting in NIS's continued implementation of development strategy through investment in strategic projects and modernisation of operations. The largest portion of investments was assigned to projects in the area of oil and gas exploration and production, bottom of the barrel projects and the key project of the second stage of the modernisation of the Pančevo Oil Refinery.

NIS has improved its financial indicators in the third quarter compared to the first half of the year. So, in the period July to September, Company's net profit amounted 7.5 billion RSD, a spiked increase compared to the first half of the year when the net profit generated was 3.2 billion RSD. Overall, net profit for the first nine months of 2019 amounted to 10.7 billion RSD. EBITDA (earnings before interest, income tax and amortisation) amounted to 31.2 billion RSD. Likewise, NIS has continued its years long practice of paying out dividends to shareholders in the amount of 25% of the last year's net profit resulting in this year's dividend pay-out of 6.5 billion RSD. In the same period, NIS Group's liabilities for taxes and other public revenues amounted to 136.6 billion RSD.

Where operating indicators are concerned, oil and gas production over the first nine months of 2019 amounted to 965,000 tonnes of oil equivalent. In the same period, 2.3 million of crude oil and semi-finished products were refined, with total sales turnover reaching 2.6 million tonnes. In the nine months of 2019, NIS recorded a 5% increase in retail sales in the local market compared to the same period of the last year as well as 17% increase in sales in foreign assets compared to first nine months of 2018. In July, a ten-year record in bitumen production was achieved (56.435 tonnes).

NIS continues its course of further modernisation of its retail network. A modern GAZPROM-branded petrol station "Stari Banovci" has been opened on the Belgrade-Novı Sad Expressway. It is one of the most modern GAZPROM-branded petrol stations on the global market. Likewise, In September NIS opened the doors of its state-of-the-art training centre intended for training of its employees in the area of oil and gas exploration and production, thus being consistent in its efforts to improve conditions for advancement of employees in oil industry.

NIS Group was also focused on further improvement of occupational safety indicators and thus the LTIF was 18% lower than in the same period of the last year.



"In the year in which we mark the 10th anniversary of Gazprom neft becoming the majority shareholder, we continue investing in capital projects that will provide for company's secure future. NIS operates on a highly demanding and competitive regional market. Despite these circumstances and thanks to implementation of our development strategy, we have retained our position of a reliable partner both for our shareholders and for the entire community we operate in", said Kirill Tyurdenev, CEO of NIS.

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