

NIS PERFORMANCE IN FIRST SIX MONTHS OF 2021

Business results improved, company development continues

In the first six months of 2021, NIS operations have been affected by the consequences of the COVID-19 pandemic. The company's focus was on improving business efficiency, financial discipline and investment in key development projects, which resulted in a significant improvement in financial results compared to the same period last year.

Better macroeconomic parameters, primarily the recovery of economic activities and the growth of consumption of petroleum products, also contributed to the better results of NIS. The growth trend was also recorded by the value of oil, so the average price of Brent oil in the reporting period was 64.9 dollars per barrel, which is 63 percent more compared to the comparable reporting period last year.

The net profit of the NIS group for the first six months of 2021 amounts to 6.08 billion dinars, which is a significantly better result than last year, when a loss of 10.2 billion dinars was recorded in the same time period. At the same time, the EBITDA indicator (profit before interest, income tax and depreciation) amounts to 22.22 billion dinars, which is an increase of almost 10 times compared to the same period last year when this indicator amounted to 2.3 billion dinars. During the first six months of 2021, there was an increase in sales revenue of 35% compared to the same period last year and they amount to 115.7 billion dinars. In this reporting period, NIS recorded a significant improvement in the operating cash flow indicator (OCF), which is at the level of 14.5 billion dinars, or 132% more than last year. NIS Group's liabilities based on taxes and other public revenues amount to 95.4 billion dinars, which is an increase of 14 percent compared to the first six months of 2020.

Success has also been recorded in most operational indicators. In the first six months of 2021, the Pančevo Oil Refinery processed 1,714 thousand tons of crude oil and semi-finished products, which is 5% more than in the same period last year. When it comes to sales, the total sales of petroleum products in the reporting period amounted to 1,768 thousand tons, which is an increase of 13 percent compared to last year. Furthermore, NIS remained committed to further development and modernization of its retail network - the first retail facility was opened on the new highway "Miloš Veliki", GAZPROM gas station "Sokolići 1". In the field of research and production, the total volume of production for the first half of this year is 589 thousand conditional tons.

The results in the field of HSE (Health, Safety, Environment) have significantly improved, so the Lost Days Injury Indicator (LTIF) has decreased by 48% compared to last year.

NIS continued to contribute to the development of the community in which it operates - within the program of social responsibility "Common Cause - Community", agreements were signed



with 12 local governments throughout Serbia, which aim to implement environmental projects in which NIS will invest 107.5 million dinars.

On the occasion of announcing the business results for the first half of 2021, Kirill Tyurdenev, General Director of NIS, stated:

"We remain committed to the development of our company. Along with the constant increase in business efficiency, we are also implementing a large investment program, and in the first six months of this year we have invested a total of 8.6 billion dinars. We will continue to work on further improvement of business results, with the realization of strategic development projects. In this way, we strengthen the foundations for the further development of the company and remain a secure source of income for shareholders and our employees, as well as a reliable partner to the community in which we operate."

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