



Company Profile

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HIP Petrohemija LLC. Pančevo

AT THE CROSSROADS



- Petrochemical complex HIP Petrohemija LLC Pancevo is located in the centre of Southeast Europe
- The shortest transport links with the entire Europe - the Danube river and the corridor 10 enable supply with raw materials and the dispatch of products to HIP Petrohemija
- Serbia and its neighbouring countries have the potential for increased economic growth, especially in those areas in which there is the increased consumption of polymers - the main products of HIP Petrohemija.

	10 - EUROPEAN CORRIDOR
	7 - EUROPEAN CORRIDOR

LOCATIONS, PLANTS AND FACILITIES

1 PANCEVO - main location

- ETHYLENE FACTORY - the production of ethylene, propylene, pyrolysis gasoline, pyrolysis oil and -'C4 fraction'
- PEVG FACTORY - the production of high-density polyethylene
- PENG FACTORY - the production of low density polyethilene
- FOB - factory for water treatment
- ENERGY - the production and distribution of energy fluids
- PETROPLAST - the production of PE pipes and fittings

2 ELEMIR (near the city of Zrenjanin)

- Factory of synthetic rubber (FSR), production of
 - Butadiene
 - Synthetic rubber (E-SBR)
 - Methyl tert/butyl ether (MTBE)

3 CREPAJA (near Pančevo)

- PANONIAPLAST - the production of granulate

4 VODICE - Zltibor

- Recrational centre "Lovac"



HISTORY

1975-1977

HIP Petrohemija was founded in 1975, and the production started in 1977. The compound was designed with the aim to be able to supply the market of former SFRY and other European countries, using the advantage of product and the exchange of energy generating products with the neighbouring refinery.

1992-1996

Political crisis and the introduction of UN sanctions (1992-1996) stopped the production and the delivery of olefin and polymer. Production was restarted in 1996.

1999

NATO bombing campaign from March to June 1999 caused the destruction or incapacitation of 40% of production capacities. Production started again in September of the same year, 1999, but in difficult conditions due to the damaged production-technological unit.

2017

Having the consent of the creditors, HIP-Petrohemija's financial restructuring was completed in October 2017, resulting in a new ownership structure. In 2017, the initial, preparatory phase of the project of the construction of new plants for propylene treatment and the production of polypropylene was completed, having the capacity of 160 kta (TDF-50%/+20%), value of which amounts to EUR 170 million.

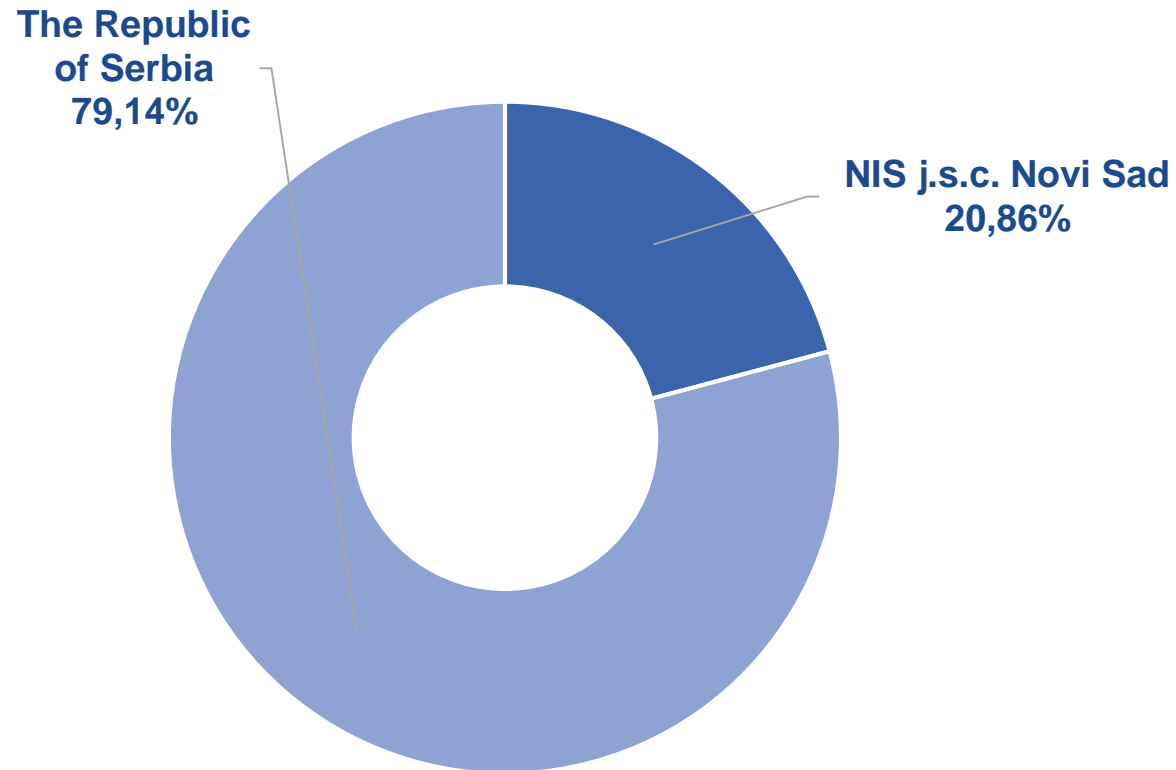
2018-2020

Positive financial results enabled capital investments in projects intended to increase the energy efficiency and the overall operational efficiency.

2021

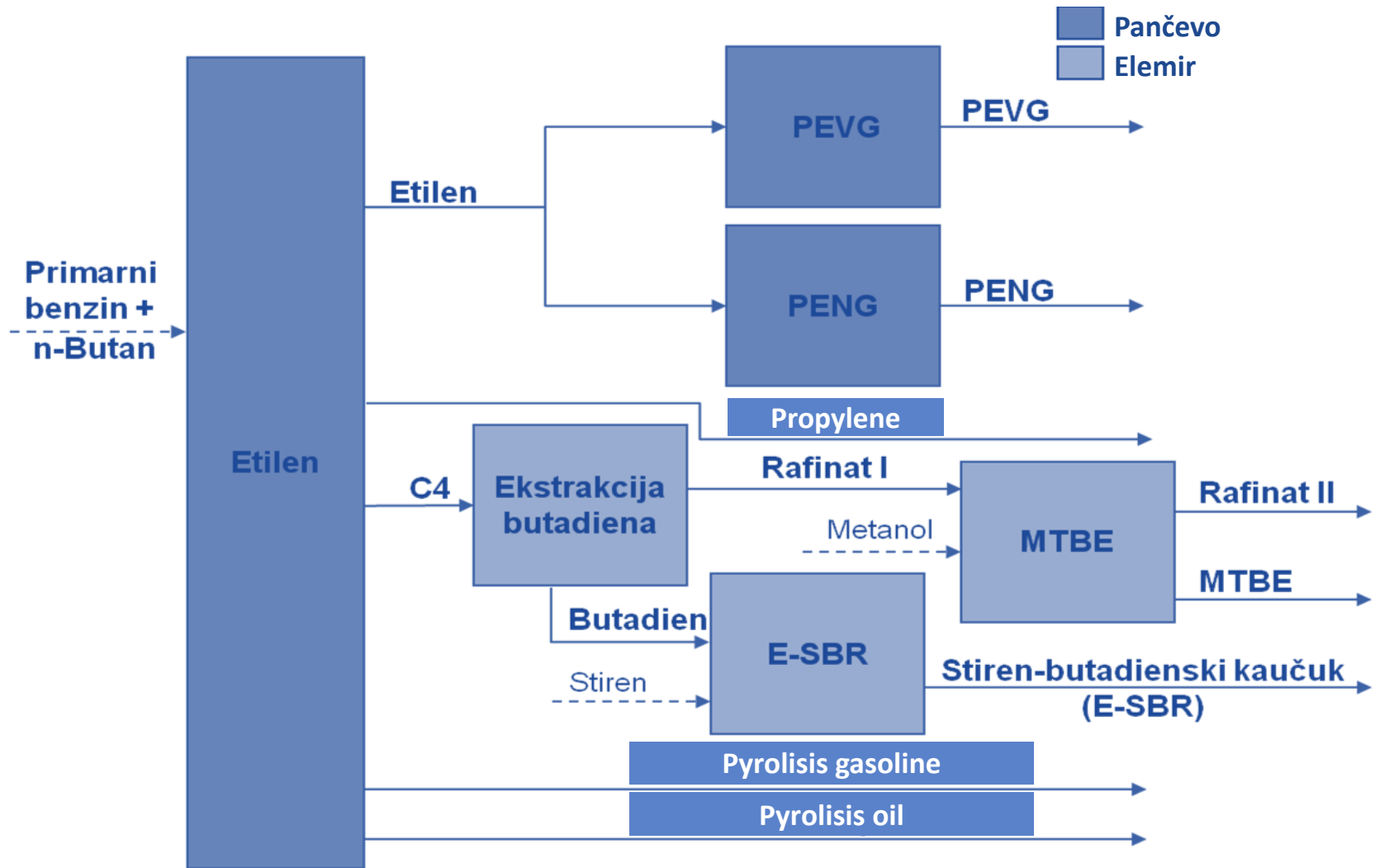
Privatisation process - The Contract on Strategic Partnership was signed between the Serbian Government, NIS j.s.c. and HIP Petrohemija.

OWNERSHIP STRUCTURE AND HEADCOUNT



- On 28 June 2022, at the regular shareholders assembly of HIP Petrohemija j.s.c. Pancevo, the change of its legal form was effected from being a corporation, to “limited liability company”.
- Abbreviated name of the company was changed then to HIP Petrohemija LLC Pančevo
- The change in the Memorandum of Association enables the issuance and the registration of the Decision on base equity increase.

PRODUCTION LINES



HIPTEN, HIPLEX, HIPREN - PRODUCT USE

HIPTEN®

Low density
polyethylene
(PENG, LDPE)

- Shopping and household bags
- Industrial bags and heat-shrinkable foils
- Foils for packing milk and water
- Agro foils
- Insulation of electro-conductor
- Extrusion cardboard coating
- Injection moulded and blown bodies/objects



HIPLEX®

High density
polyethylene
(PEVG, HDPE)

- Films and foils for packaging, bags used in household and shops
- Packaging for packing and transporting food, chemical and pharmaceutical products (bottles, boxes, barrels, containers, carriers, crates)
- Pipes for water, gas, conductor pipes
- Consumer goods, objects and parts for industry and household, toys



HIPREN®

Emulsion
styrene/butadiene
rubber
(E-SBR)

- Tires for motor vehicles
- Rubber and technical goods (conveyer belts and transporters, pipes and hoses, sealants, technical parts for various industrial branches)
- Floors and bases, doormats, floor mats, shoes and soles
- Insulation of electro-conductors
- Glues, toys



INTEGRATED MANAGEMENT SYSTEM

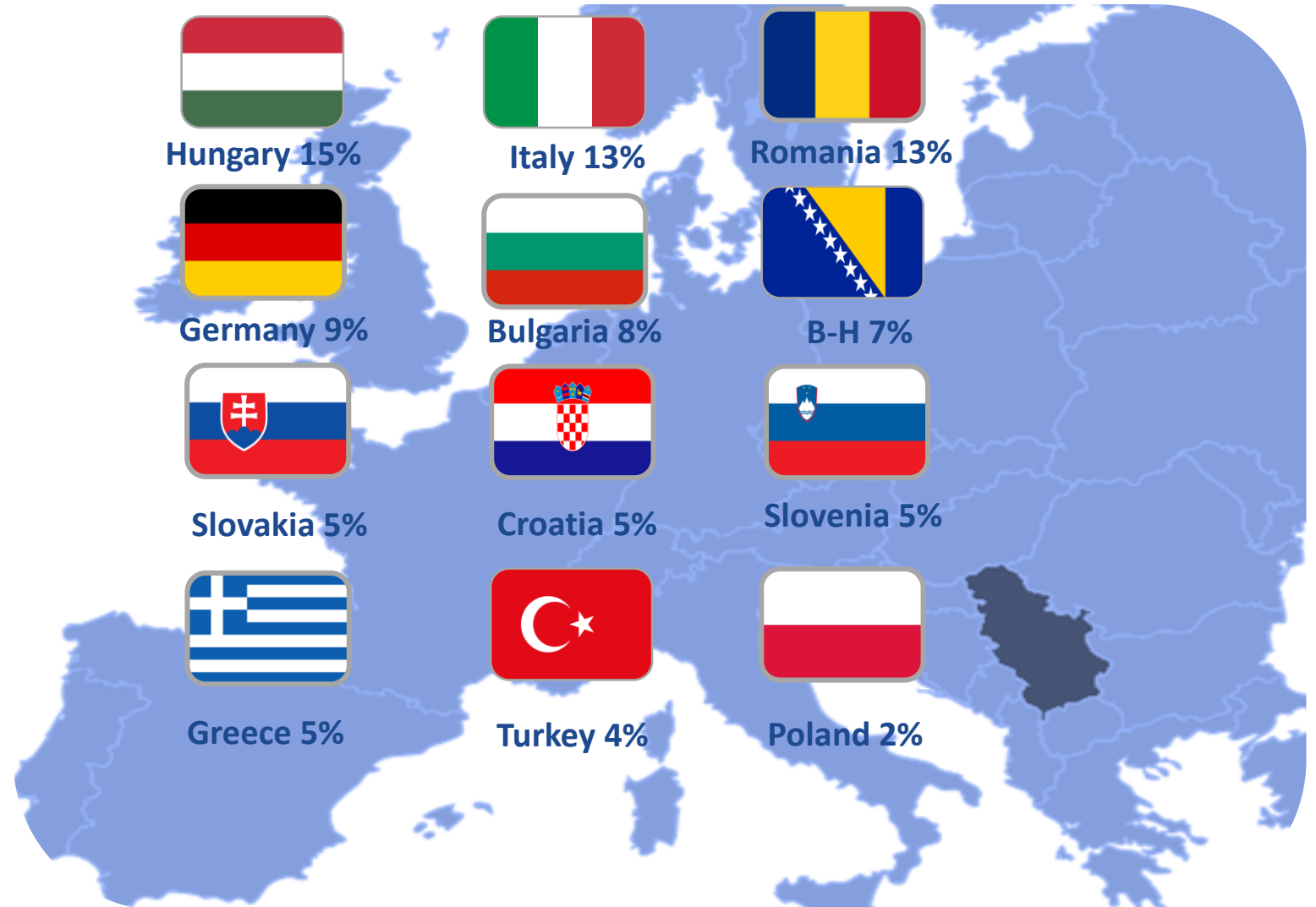
STANDARDS						
ISO 9001:2015 	ISO 14001:2015 	ISO 45001:2018 		ISO 50001:2018 		
'REACH' REGISTRATION						
Ethylene 	Propylene 	C4 - Fraction 	1.3 -butadiene 	MTBE 	Pyrolysis gasoline 	Raffinate 1 
POLYMERS - CONTACT WITH FOOD - STATEMENT OF CONFORMITY (EU)						
LABORATORY ACCREDITATION AND TESTING - ISO/IEC 17025;2017						
<div>PRODUCT QUALITY - FIRST CLASS</div> <div>> 98%  </div>			<div>AWARDS</div> <div> </div>			

MAIN EXPORT MARKETS IN 2021

40
COUNTRIES

231
MILLION EUR

Always on the list of
TOP 15
Serbian exporters

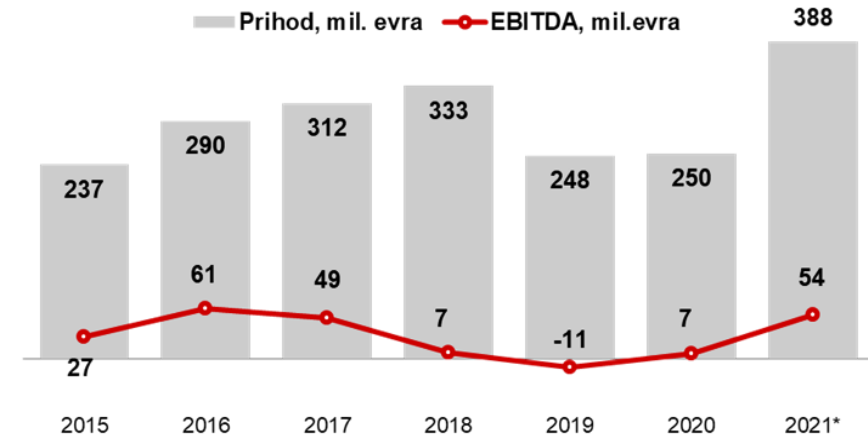


*Other 29 countries - 10% of the export value

BUSINESS RESULTS

- Business indicators are the result of increased operational efficiency of the entire company, including following the changes on global markets.
- Good business results were achieved during the period 2015--2018, despite the aggravation of market circumstance sin the second half of 2018.
- In 2019, continuous instability, global decrease of supply and the drop of polymer prices contributed to business results worsening.
- In the first half of 2020 the effect of COVID 19. pandemics contributed to market instability. In the second half of 2020 and in 2021 there was gradual recovery of economy, which gave significantly better result.

INCOME AND EBITDA in million EUR



IMPROVEMENTS AND INVESTMENTS

- Workover activities are carried out every second year, the last one was implemented in April 2021.
- Key investments in HIP Petrohemija refer to:
 - improvement of the process (reinstrumentation of Ethylene, phase 1)
 - Energy efficiency improvement
 - The increase of production capacity in PEVG.

INVESTMENTS IN MAINTENANCE, UPGRADE AND DEVELOPMENT

HIP Petrohemija is continually devoted to:

- Increasing the production capacities and their intensive use;
- Replacement of older production equipment with new, more efficient equipment and devices;
- Efficient energy use;
- Providing necessary conditions and equipment for environmental protection and human health protection;
- Improving the working conditions and occupational safety.

In the period 2015-2021, more than 89 million EUR of own funds were invested for the increase of capacity, improving operational and energy efficiency and stable and reliable operation of the equipment.

Strategic and development projects

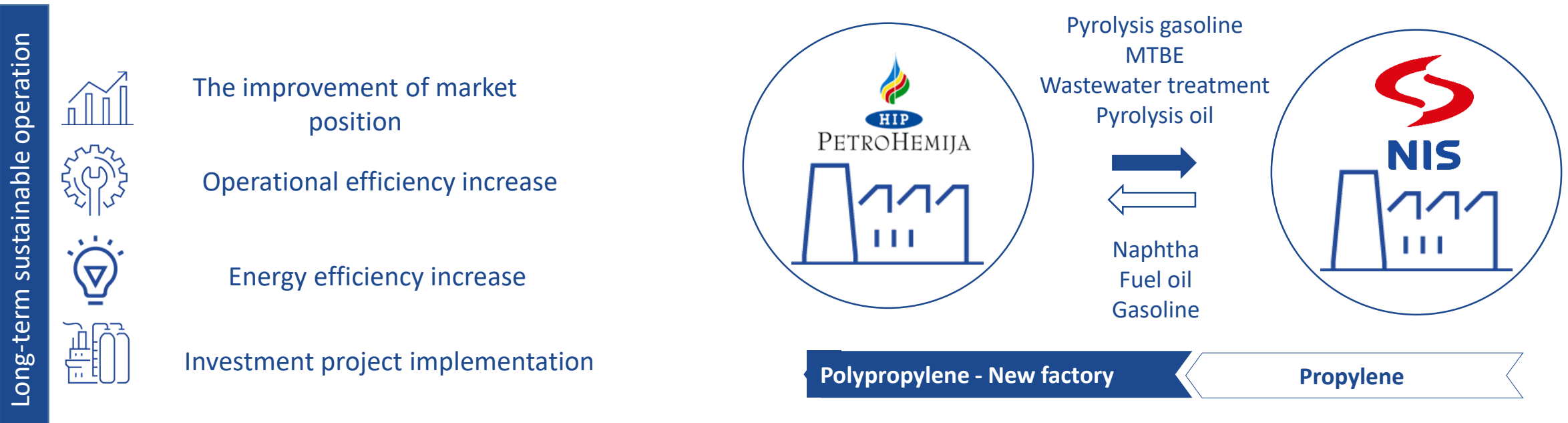
The plan is to construct

- New plant for propylene treatment
- Factory for polypropylene capacity 160,000 t/year; TDF - -50%/++20%

HIP PETROHEMIJA - PRIVATISATION

- In September 2021, Ministry of Economy of the Republic of Serbia announced its public call for the choice of strategic investor for HIP Petrohemija.
- In December 2021 the Strategic Partnership Agreement was signed with the company NIS j.s.c. Novi Sad.
- NIS j.s.c. will become the owner of 90 % of HIPP share, with mandatory capital increase in the amount of EUR 150 million and the construction of a new PP plant.

The aim of privatisation is the **long-term sustainable operation** of HIP Petrohemija.



**THANK YOU FOR YOUR
ATTENTION!**