



2024

NIS GROUP'S PERFORMANCE PRESENTATION FOR FIRST QUARTER OF 2024

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Function for finance, economics, planning
and accounting

April 26, 2024

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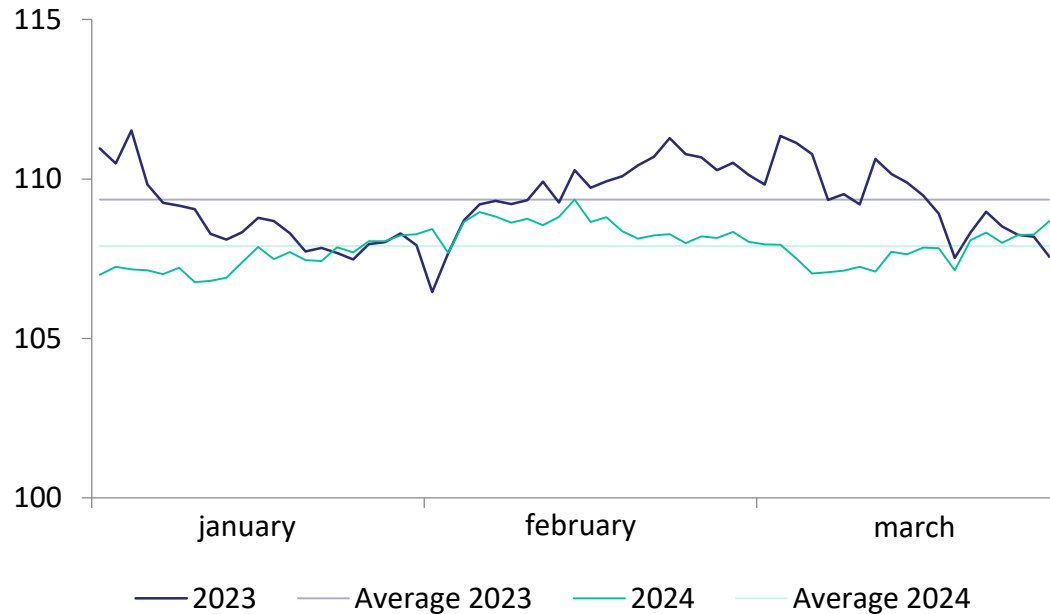
Macroeconomic Indicators

Growth of oil price, a slide drop of USD dollar comparing to RSD



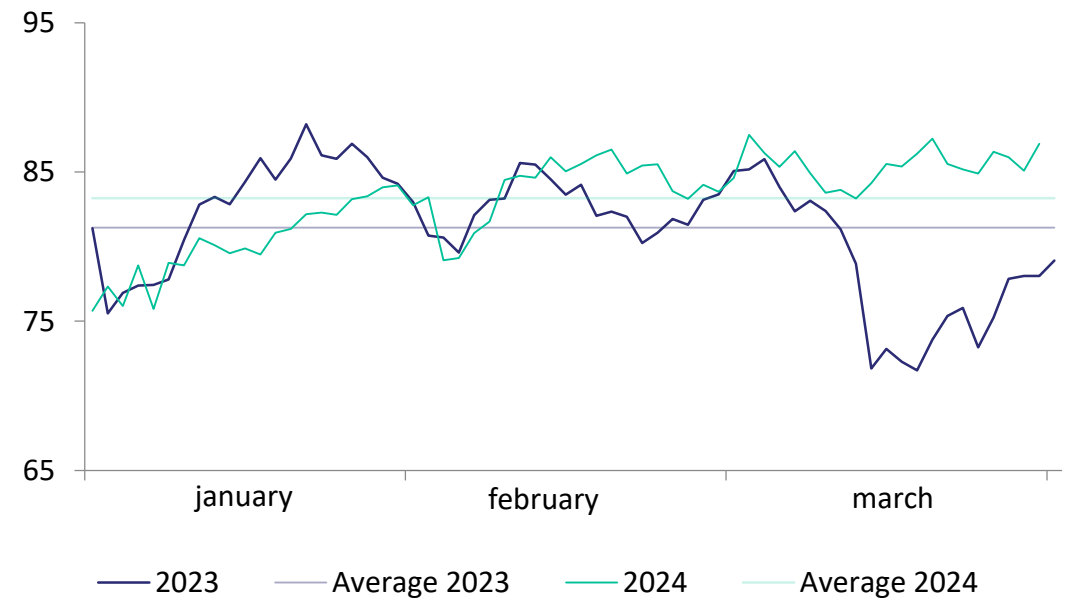
USD/RSD rate

▼ -1%



Brent oil price, \$/bbl

▲ +2%



The average USD/RSD exchange rate in the first quarter of 2024 was slightly lower by 1% compared to the same period last year.

The average price of Brent oil in the first quarter of 2024 is 83.24 \$/bbl, which is an increase of 2% compared to the same period in 2023.



Block Exploration and production

NIS in Q1 2024

NUMBER OF WELLS:

Q1 2024

Drilled:

9 development and **2** exploration wells in Serbia.

Put into operation:

10 development wells in Serbia and **2** development wells in Romania

OIL AND GAS OUTPUT:

Q1 2024

Total volume of domestic oil and gas production in the first quarter amounts to **289.5** thousands t.o.e.

FINANCIAL INDICATORS:

Q1 2024

CAPEX¹: **5.1** bln RSD

EBITDA²: **9.9** bln RSD

The main goal in the first quarter of 2024 in the Exploration and production Block was to fulfill the planned production of hydrocarbons, the realization of geological research projects and increase the efficiency of geological and technical activities.



Downstream - Refining

NIS in Q1 2024

Q1 2024

- Capital overhaul.

VOLUME OF OIL REFINING AND SEMI-PRODUCTS

The total volume of oil refining and semi-products in the first quarter is **640.8** thousand tons.

FINANCIAL INDICATORS:

Q1 2024

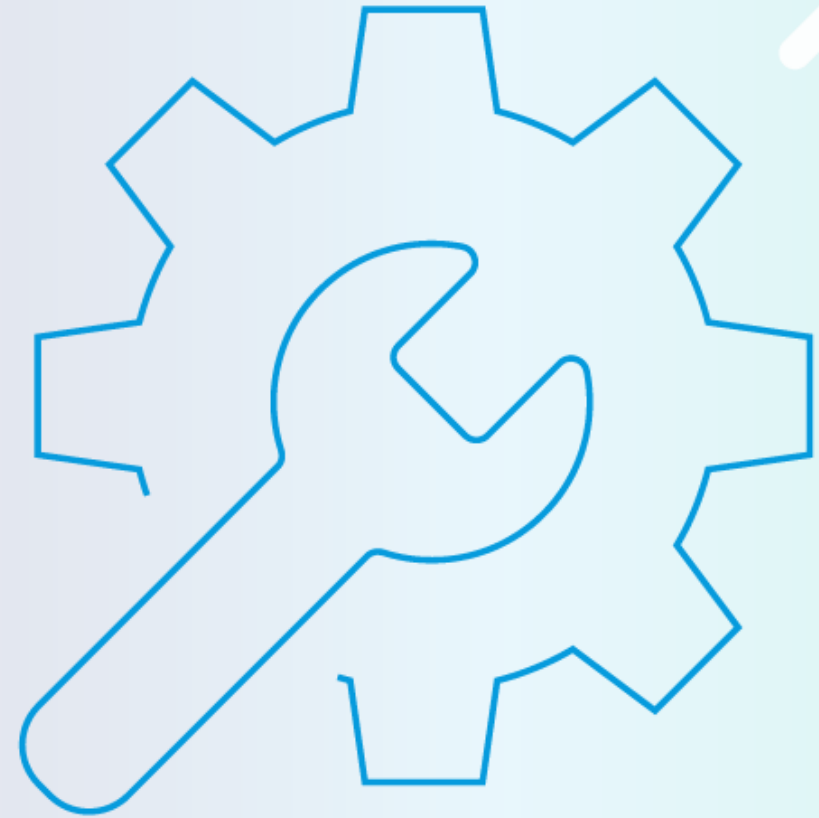
CAPEX¹: **3.9** bln RSD

EBITDA²: **2.3** bln RSD

The focus of the Refining Block in the first quarter of 2024 was creation of stocks of petroleum products for the orderly supply of the market and on the preparation and implementation of the overhaul.

Capital Overhaul of RNP:

- In the period **Mart-April** it is planned to perform the Major Overhaul of the Pančevo Oil Refinery process units. The previous overhaul was carried out in 2019. After the overhaul, continuous operation of the plant was ensured.
- The planned Major Overhaul in 2024 is so far the largest one in the history of the Refinery in terms of volume and complexity, given the modernization and increase in the number of production units.
- **The Major Overhaul is carried out for the purpose of:**
 - performing the inspection and testing of pressurized equipment provided for by the legal regulation of the Republic of Serbia (legal obligations)
 - execution of technical, technological requirements, HSE requirements, as well as the requirements for the replacement and regeneration of the catalysts
 - implementation of measures to increase the efficiency and reliability of plant operation
 - execution of Investment maintenance projects (totally 33 projects)
 - execution of the Investment projects (totally 11 projects)
- The overhaul is carried out in order to bring the equipment and the complete unit into a safe and reliable operational condition in accordance with the design parameters and to ensure the continuous operation of the unit until the next planned major overhaul.





Downstream – Sales and distribution

NIS in Q1 2024

DEVELOPMENT PROJECTS:

- The beginning of the reconstruction of the Prijepolje PS, with the prior demolition of the building
- Pilot project: self-checkout cash desk. The project is currently being implemented at the Block 45 PS.

Q1 2024

- The share of NIS in the Serbian retail market: in the first quarter of 2024, the share of NIS is **50%**
- Retail volume in the first quarter of 2024 amounts to **255** thousand tons.

FINANCIAL INDICATORS:

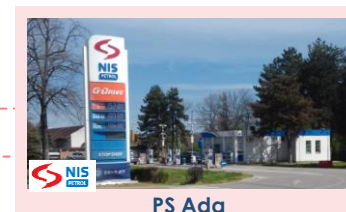
Q1 2024

CAPEX¹: **0.4** bln RSD

EBITDA²: **3.5** bln RSD

This year, NIS continued to sell derivatives under conditions of price regulation by Serbian Government decrees, so that the state determines the maximum selling price of petroleum products at PSs. The price for agriculture remains fixed at 179 RSD/liter, as well as the obligation for NIS to sell fuel for agriculture in a maximum volume of up to 100 liters per hectare and for a maximum of 100 hectares.

Realization of development projects in Serbia in 2024



2024 – plan and realization for the implementation of development projects in 2024

New construction

PS CNG Novi Sad – december 2024

Long-term lease

PS Irig 2 – september 2024

PS Kaludjerica – september 2024

Reconstruction

PS Prijepolje – June 2024 

PS Zitište – November 2024

PS Adasevci – December 2024

PS Novi Knezevac – December 2024

PS Vrbas 1 – December 2024

PS Ada – December 2024

PS Krusevac IV – December 2024

PS Negotin 1 – December 2024

PS Boljevac – December 2024



Downstream - Energy

NIS in Q1 2024

Construction of PVPPs¹:

- By the end of March, 10 PVPPs installed in 2023 were put into operation;
- As part of the 620 kW PVPP project at the Jazak drinking water plant, a connection point to the distribution network is under construction;
- Implementation of PVPP projects:
 - at the Petroleum Products Warehouse in Novi Sad, on the ground with a power of 6.59 MWp;
 - at the Petroleum Products Warehouse in Novi Sad, on roofs with a power of 585 kWp;
 - on the roof of the office building² with the power of 99.9 kWp;
 - the roof solar photovoltaic power plant in Pančevo Oil Refinery with a power of 600 kWp.

Q1 2024

- The total volume of solar power³ generated in the first quarter is **28 GWh**

FINANCIAL INDICATORS:

Q1 2024

CAPEX⁴: **0,1** bln RSD

EBITDA⁵: **-0,02** bln RSD

In 2024, the construction of PV power stations at other facilities, which was contracted in 2023, is continuing, as well as the preparation of new projects for 2025.

¹Photovoltaic power plants

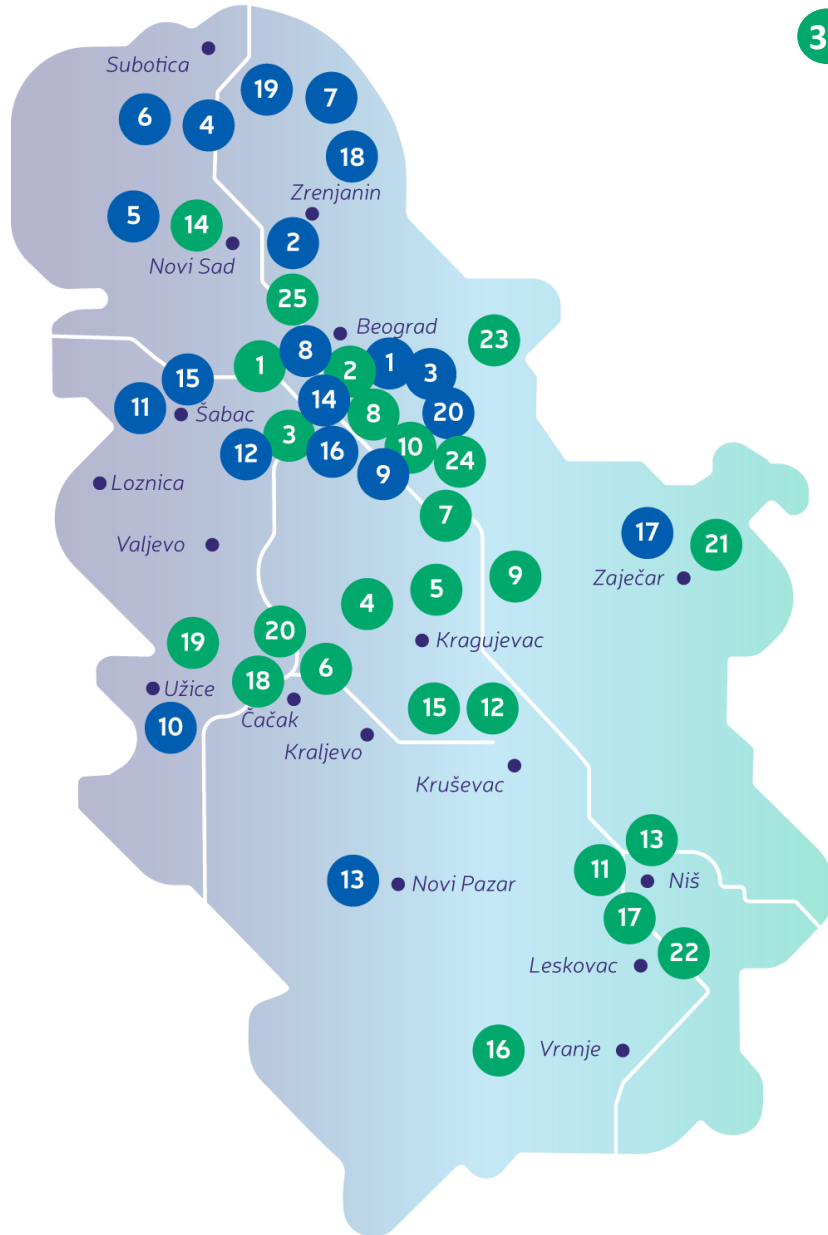
²Office building in Novi Sad (A. Teodorovića St.)

³The total volume of produced electricity in Power plant Pančevo, small power plants and photovoltaic power plants in Q1 2024 is 28.2 thousand MWh. The total volume of photovoltaic power plants produced electricity in Q1 2024 is

⁴Financi81 MWh ng. CAPEX for Q1 2023 is RSD 6.9 billion

⁵ EBITDA for Q1 2023 is RSD 0.1 billion

Implementation of solar power projects in Serbia



35

	PS Name	Power (kW)
PVPPs commissioned in 2022		
1	Krnješevci	38.64
2	Stari Banovci	38.64
3	Blok 45	30.36
4	Gornji Milanovac	30.36
5	Kragujevac 7	30.36
6	Preljina 2	30.36
7	Velika Plana	30.36
8	Dejton	60.72
PVPPs commissioned in 2023		
9	Bagrdan	65.1
10	Dunav	30.49
11	Fontana	30.49
12	Kruševac 5	30.49
13	Nais	30.49
14	Novi Sad 1	30.49
15	Vrnjačka banja	30.49
16	Vranje city	38.22
17	Ledena Stena	38.22
18	Čačak 1	32.76
19	Užice City 1	32.76
20	Sokolići 1	32.76
21	Zaječar 5	32.76
22	Đačko ostrvo	28.67
23	Vršac 1	38.22
24	Stara Železara 1	28.67
25	Stara Pazova 3	32.76
PVPPs commissioned in 2024		
26	Bor 1	25.48
27	Žarkovo 1	32.76
28	Kikinda 4	32.76
29	Zlatibor	38.22
30	Novi Sad 16	38.22
31	Subotica 1	32.76
32	Subotica 2	32.76
33	Subotica 4	32.76
34	Sava Most	38.22
35	Šabac 1	30.03

10

	PS Name	Power (kW)
PVPPs built in 2023 - planned for commissioning in 2024		
1	Avalski put	45.50
2	Plinara	32.76
3	Bačka Palanka City	32.76
4	Zmaj 1	32.76
5	Mali Požarevac	38.22
6	Obrenovac City	30.03
7	Novi Pazar 2	32.76
8	Tošin bunar	32.76
9	Zrenjanin 2	32.76
10	Kovin	32.76

In the first quarter of 2024
10 PVPPs were put into operation.



Downstream – HIP Petrohemija

NIS in Q1 2024

Q1 2024

- Since March 11, the Pančevo Refinery has started the scheduled turnaround to continue the activities started in 2023 for improving the energy efficiency and the equipment reliability.
- Most important activities during the overhaul were focused on the ethylene production unit, of which the most significant was the overhaul boiler B-1001.

Q1 2024

- The activities of the first phase of the construction of a plant for the production of polypropylene have begun

FINANCIAL INDICATORS:

Q1 2024

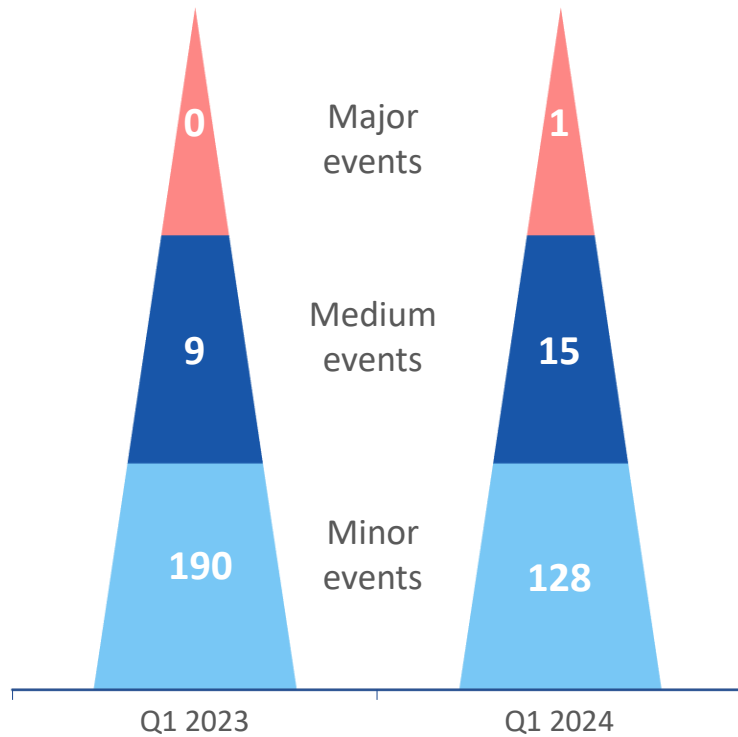
CAPEX¹: **0.5** bln RSD

EBITDA²: **-0.8** bln RSD

On June 9, 2023, NIS signed the documents on completion of the deal under the Strategic Partnership Agreement. After paying the first instalment of its investment obligations NIS became the owner of the 90% share in HIP Petrohemija d.o.o. Pančevo.

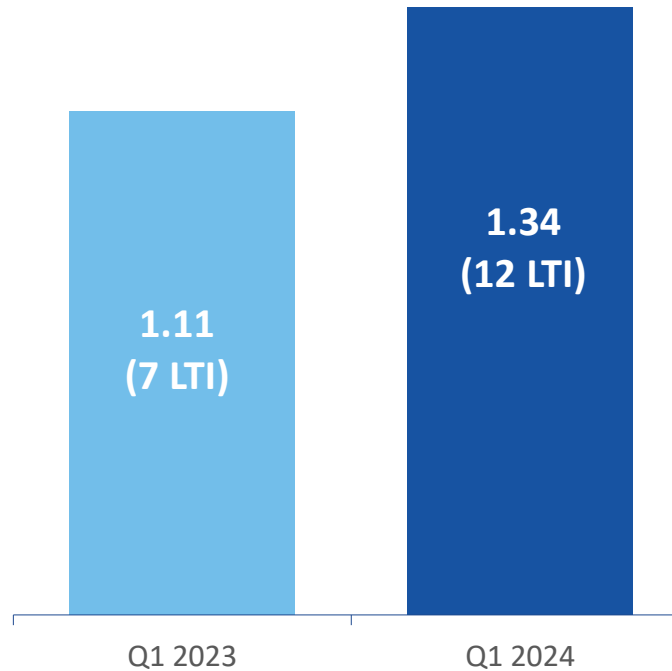
HSE indicators¹

Number of events in NIS¹



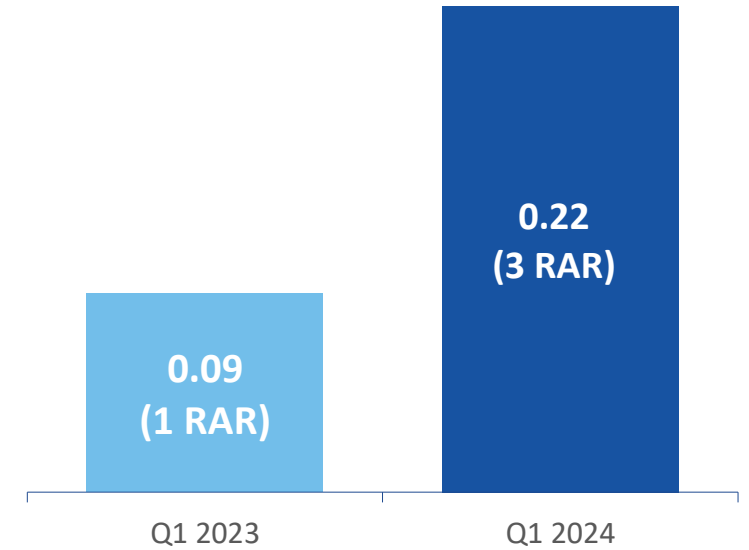
LTIF²

▲ +21%



RAR³

▲ +144%



¹ Incidents in HIP Petrohemija from 01.01.2024 are included in the general statistics for NIS.

² LTIF (Lost Time Injury Frequency) – Ratio of employee injuries with sick leaves to the total number of working hours.

³ RAR (Road Accident Rate) - Indicator of the number of traffic accidents.

Key indicators

Key indicators	Unit of measures	Q1 2024	Q1 2023	Δ (%)
Brent Dtd	\$/bbl	83.2	81.3	▲ +2%
Sales revenues	bn RSD	86.4	95.9	▼ -10%
EBITDA	bn RSD	10.0	19.9	▼ -50%
Net profit	bn RSD	1.8	11.7	▼ -85%
OCF	bn RSD	2.7	17.7	▼ -85%
Accrued liabilities based on public revenues	bn RSD	53.7	50.3	▲ +7%
Oil and gas output	thou. TOE	289.5	282.8	▲ +2%
Crude oil and semi-finished products output	thou. tonnes	640.8	956.5	▼ -33%
Total petroleum products sales volume	thou. tonnes	748.7	908.9	▼ -18%
CAPEX	bn RSD	10.5	6.5	▲ +62%
Total debt to banks (total debt to banks + letters of credits)	mn EUR	554.9	563.1	▼ -1%

¹The presented refining volume includes the refining volume of HIP-Petrohemija. Refining volume calculations for Q1 2023 are methodologically different than in Q1 2024 due to the consolidation of HIPP in the second half of 2023.

²The presented volume includes the volume of petrochemical products of HIP-Petrohemija. Any deviations in percentages and aggregate values result from rounding. Sales volume calculations for Q1 2023 are methodologically different than in Q1 2024 due to the consolidation of HIPP in the second half of 2023.

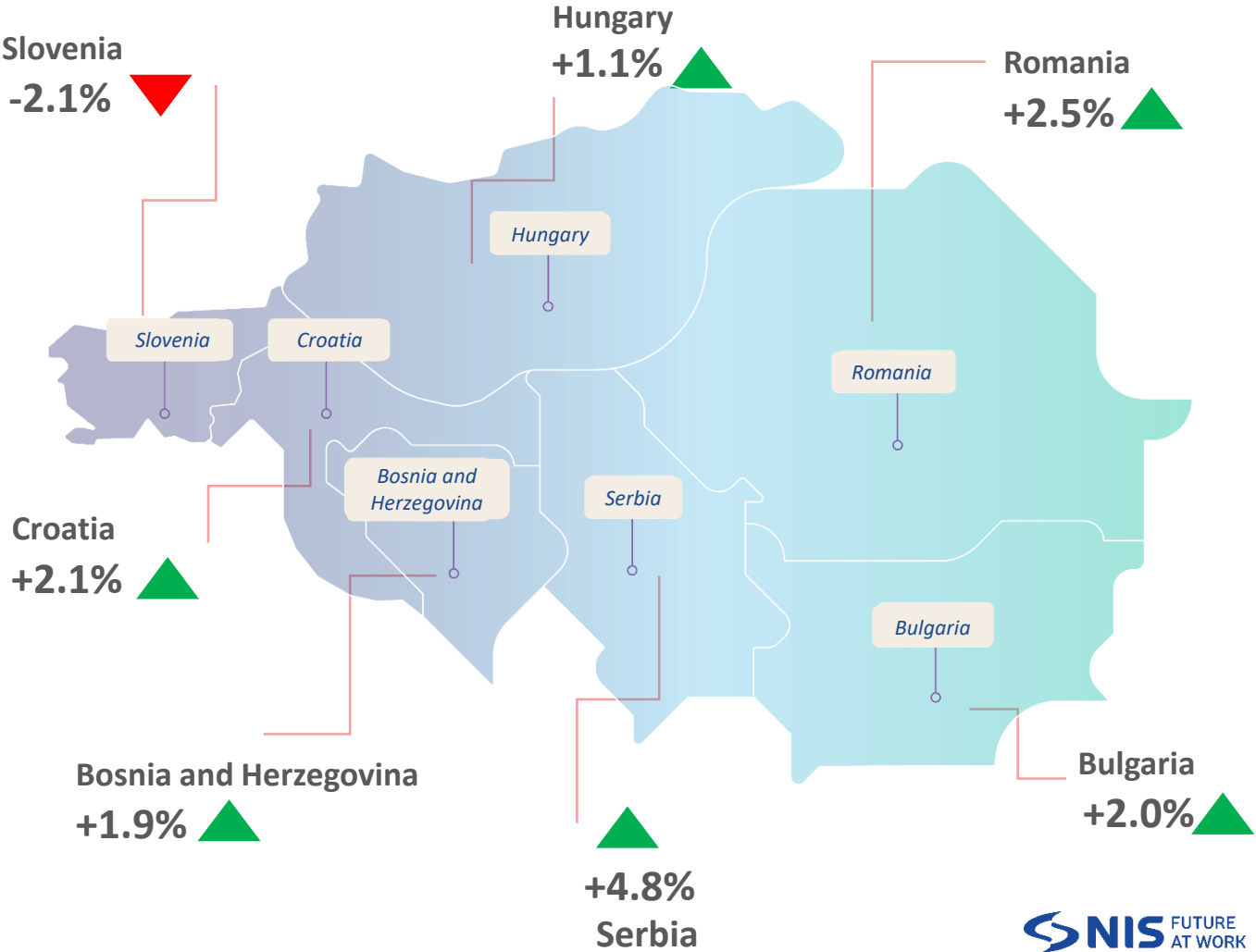
HIP-Petrohemije: Key Operating and Financial indicators

Key indicators	Unit of measures	Q1 2024
Production of petrochemical products	thousand tons	80.2
Refining of primary gasoline	thousand tons	99.8
Petrochemical product sales	thousand tons	60.9
EBITDA	RSD billion	-0.8
Net loss	RSD billion	-0.9
CAPEX ¹	RSD billion	0.5

¹Financing. CAPEX amounts are excluding VAT.

Motor Fuel Market Trends Q1 2024/Q1 2023

- The growth of consumption has been recorded in almost all countries of the region, except for Slovenia.
- After last year's decline, the consumption of motor fuels has also recovered in Hungary.

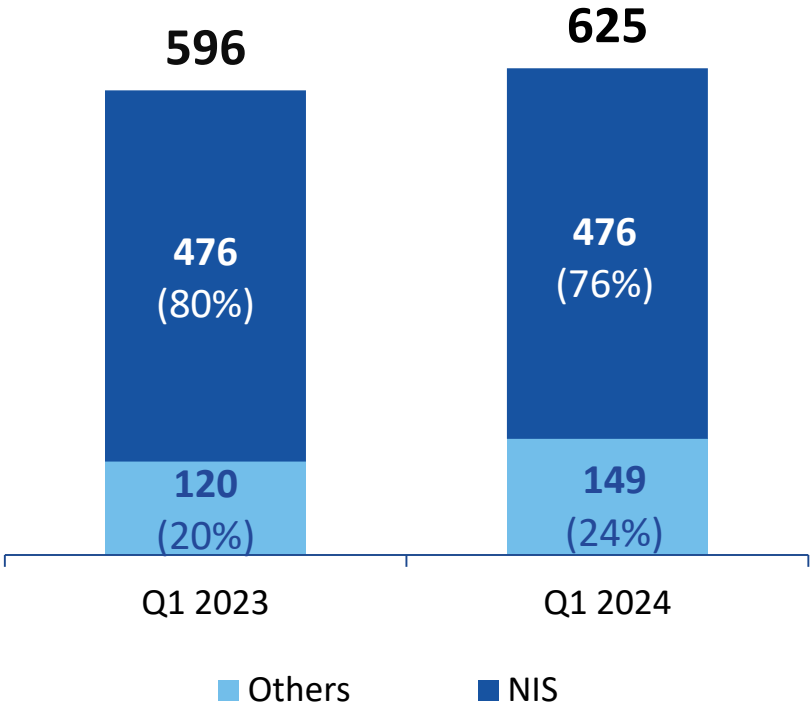


Market Share - Serbia:

Motor fuels market

Motor fuels market volume,
thousand tonnes¹

▲ +5%



The first quarter of 2024 was characterized by a 5% increase in the consumption of motor fuels in Serbia compared to the same period last year.

The continuation of infrastructure works, the commencement of the new once as well as meteorological conditions and the previous agricultural season have influenced the said growth.

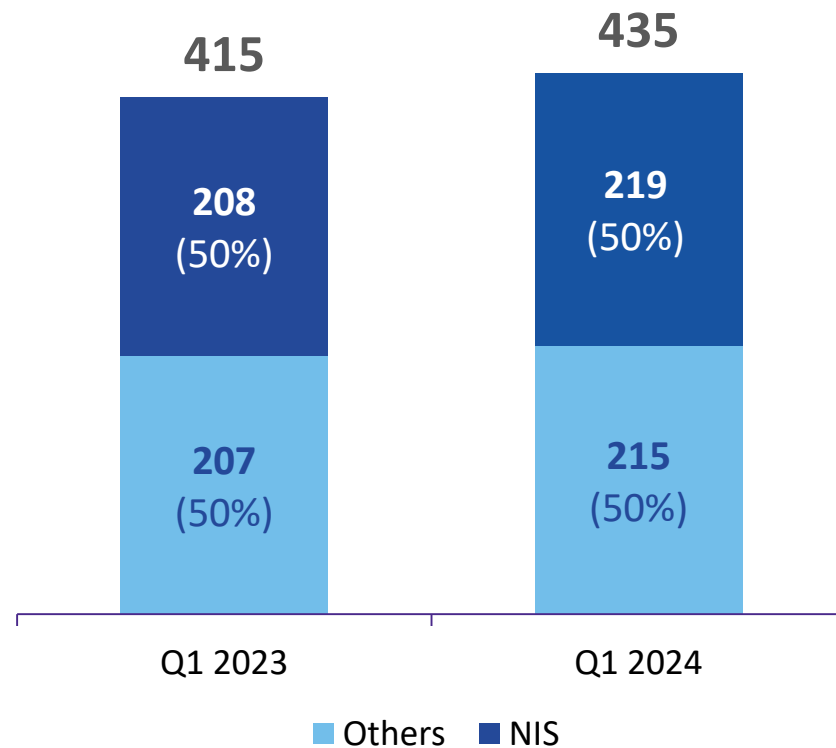
¹including CNG. Data for Q1 2024 are based on estimates.

Market Share - Serbia:

Motor fuel retail market

Retail market,
thousand tonnes¹

▲ +5%

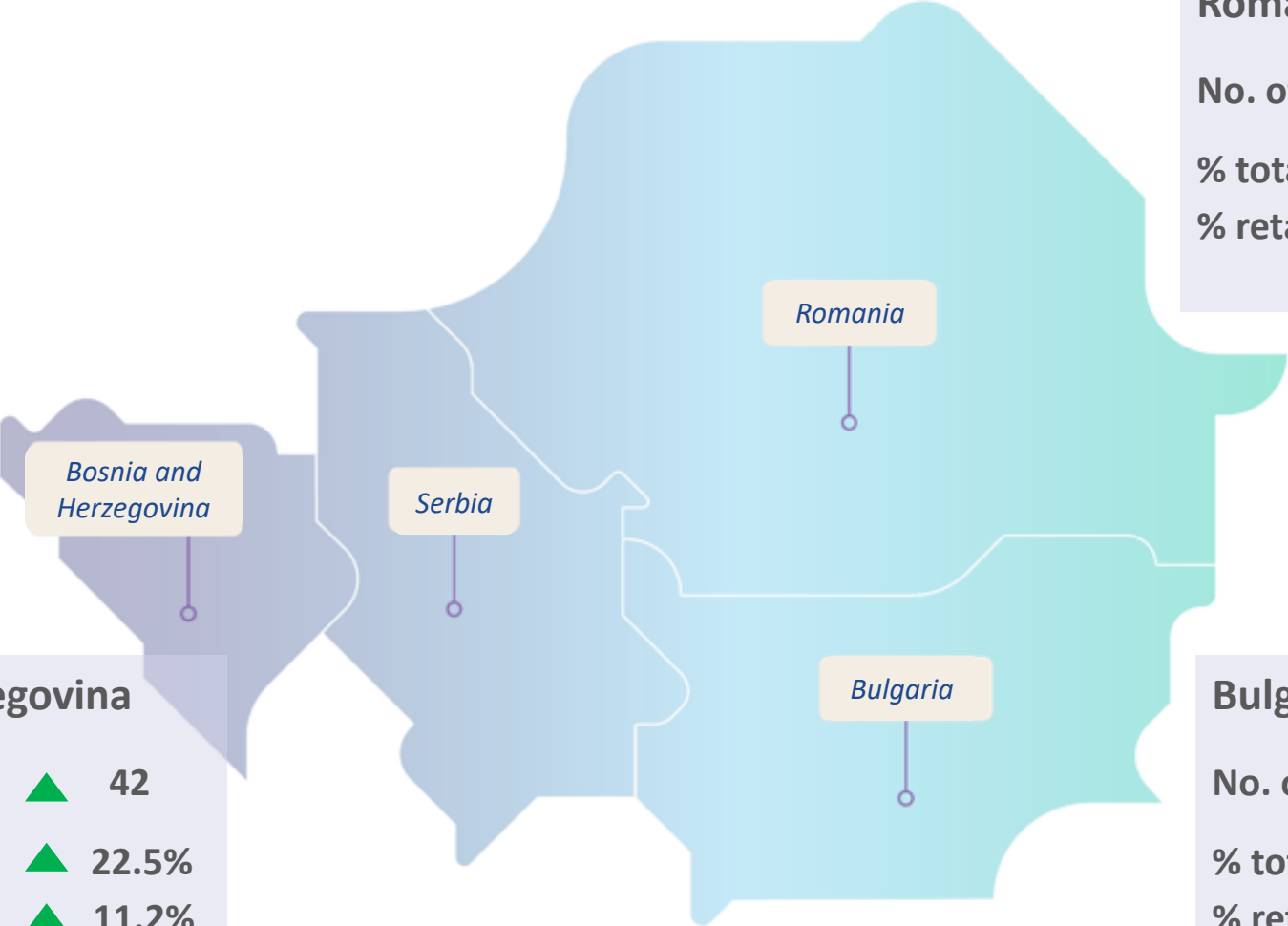


- In the first three months of 2024, the consumption grew by 5% compared to 2023. The participation of NIS is significant. The stipulated preferential price for supplying farmers is in force.
- In 2024, NIS began the overhaul. The preparation for the process itself was also done by NIS and in 2024 it ensures the safe supply of petroleum products to the Serbian market in all sales channels.

The total number of petrol stations in
NIS j.s.c. In Serbia on March 31, 2024

330

Market share – region Q1 2024/Q1 2023



Bosnia and Herzegovina

No. of PS': ▲ 42
% total market: ▲ 22.5%
% retail market: ▲ 11.2%

Romania

No. of PS': ► 19
% total market: ► 0.5%
% retail market: ▲ 0.9%

Bulgaria

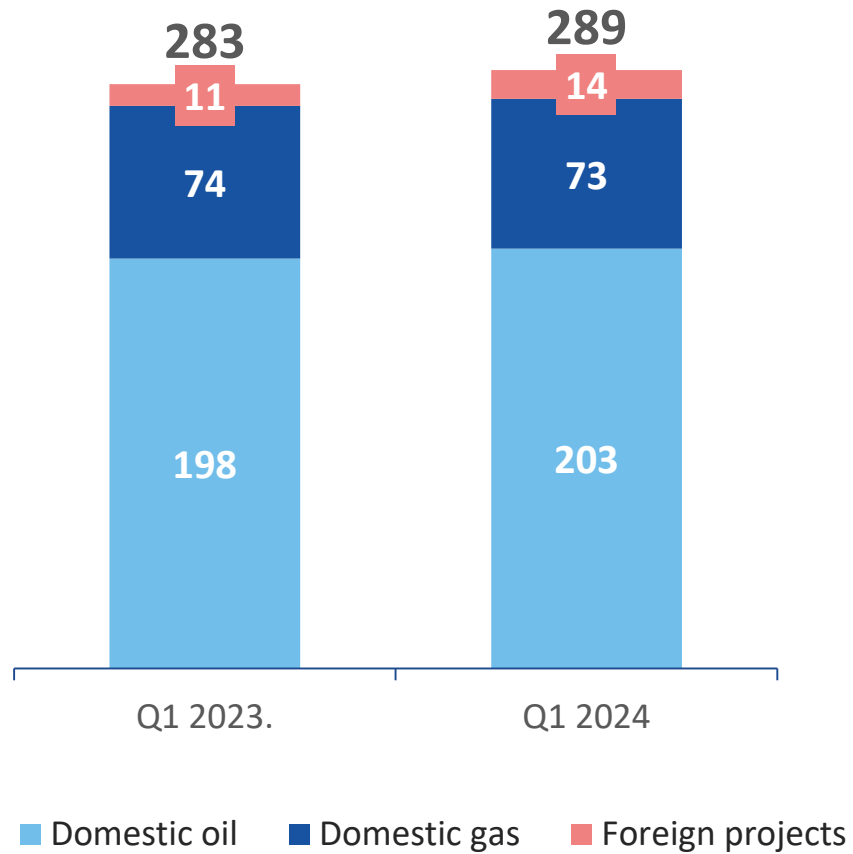
No. of PS': ▼ 23
% total market: ▼ 2.4%
% retail market: ▼ 2.7%

Operating Indicators

Exploration and production

Oil and gas output,
thou. TOE

▲ +2%

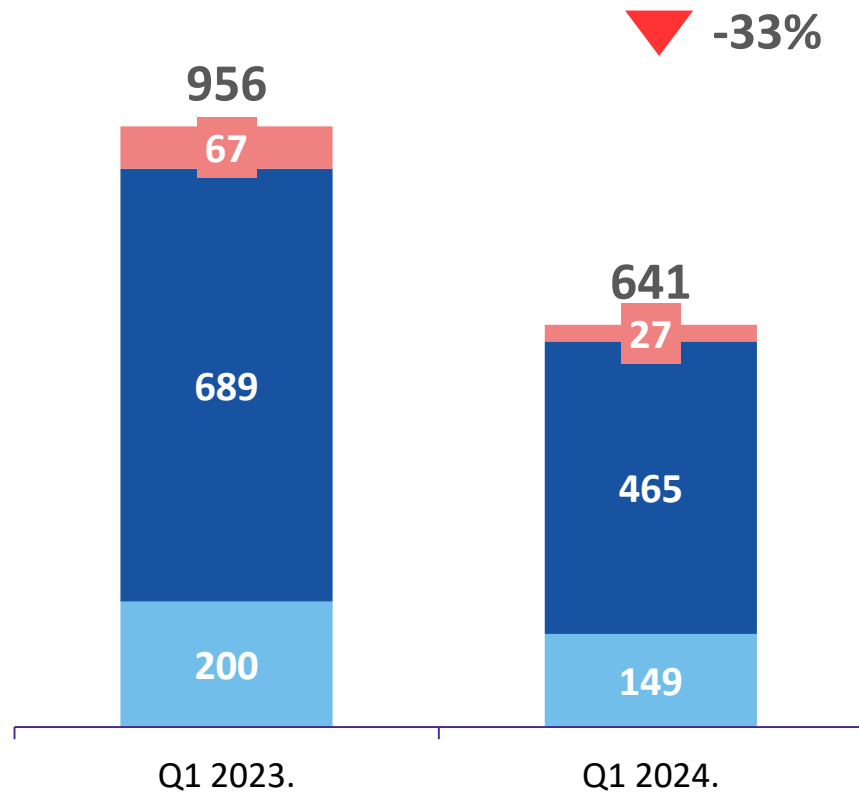


- Planned volume of hydrocarbon production achieved

Operating Indicators

Downstream Refining

Refining of oil and semi-finished products¹,
thousand tonnes



■ Domestic oil ■ Imported oil ■ Semi-finished products

The volume of refining has been reduced by 33% compared to 2023.

Decrease in the volume of refining is the consequence of:

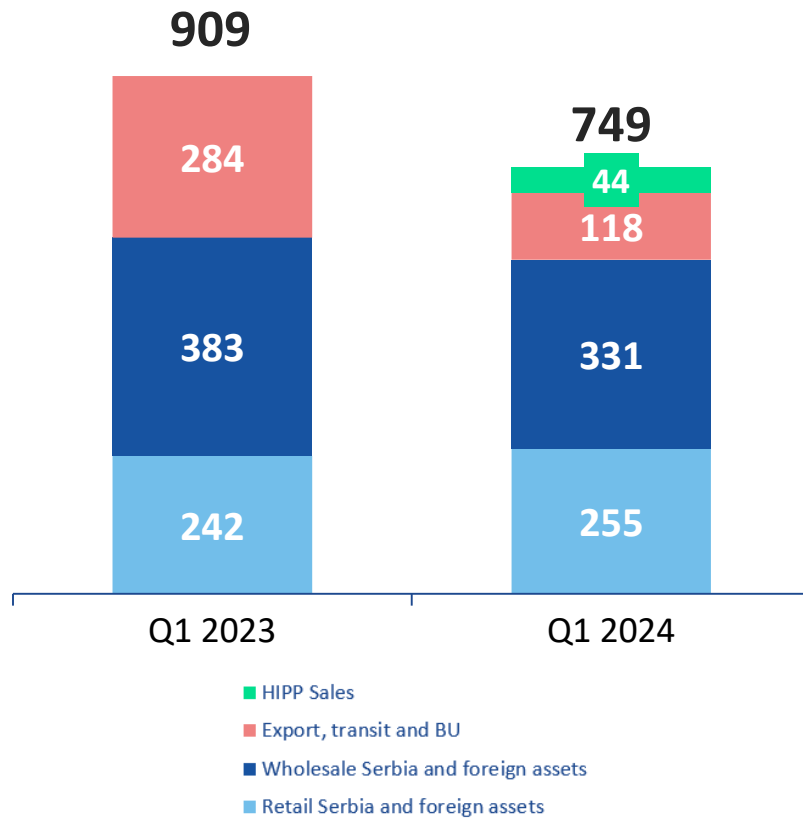
- Overhaul.

Operating Indicators

Downstream Sales and distribution

Sales volume,
thousand tonnes

▼ -18%



- Retail in Serbia and Foreign Assets - a 5% increase: sales growth was influenced by the development of the retail network, management activities to increase sales, as well as the growth of consumption in Serbia and Bosnia and Herzegovina. All this compensated for the decrease in sales in Bulgaria, which was caused by the decrease in the number of stations compared to last year, as well as the decrease in sales in Romania as a result of the geopolitical situation.
- Wholesale in Serbia and Foreign Assets² – a 14% decrease primarily due to:
 - due to geopolitical situation, in the first quarter of 2023, the largest number of importers in Serbia decided to be supplied on the local market, i.e. from NIS. As a result, imports were drastically reduced, and sales of NIS were extremely high;
 - the decrease in the sale of petroleum products in Serbia is mainly due to the reduced consumption of fuel oil;
 - decrease in sales of gasoline through wholesale in Bulgaria as a result of the overhaul in the Pančevo Refinery;
 - this decline was partially offset by sales growth in Bosnia due to the lifting of the export ban that was in effect in 2023.
- Export, transit and BU³:
 - decrease of bitumen sales as a result of the overhaul in the Pančevo Refinery and primary gasoline on the domestic market due to reduced consumption;
 - decrease in technological exports as a result of the overhaul in the Pančevo Refinery;
 - decrease in sales was partially compensated by the growth of aviation fuel sales by 10% compared to the first quarter of 2023 due to the expansion of the line of international flights by airlines, as well as the increase in the amount of aviation fuel exported compared to the same period last year.

¹ The presented volume includes the volume of petrochemical products of HIP-Petrohemija. Sales volume calculations for Q1 2023 are methodologically different than in Q1 2024 due to the consolidation of HIPP in the second half of 2023.

² It includes the sale of KPG of the Energy Block and the sale of oils and lubricants of the plant for the lubricants production.

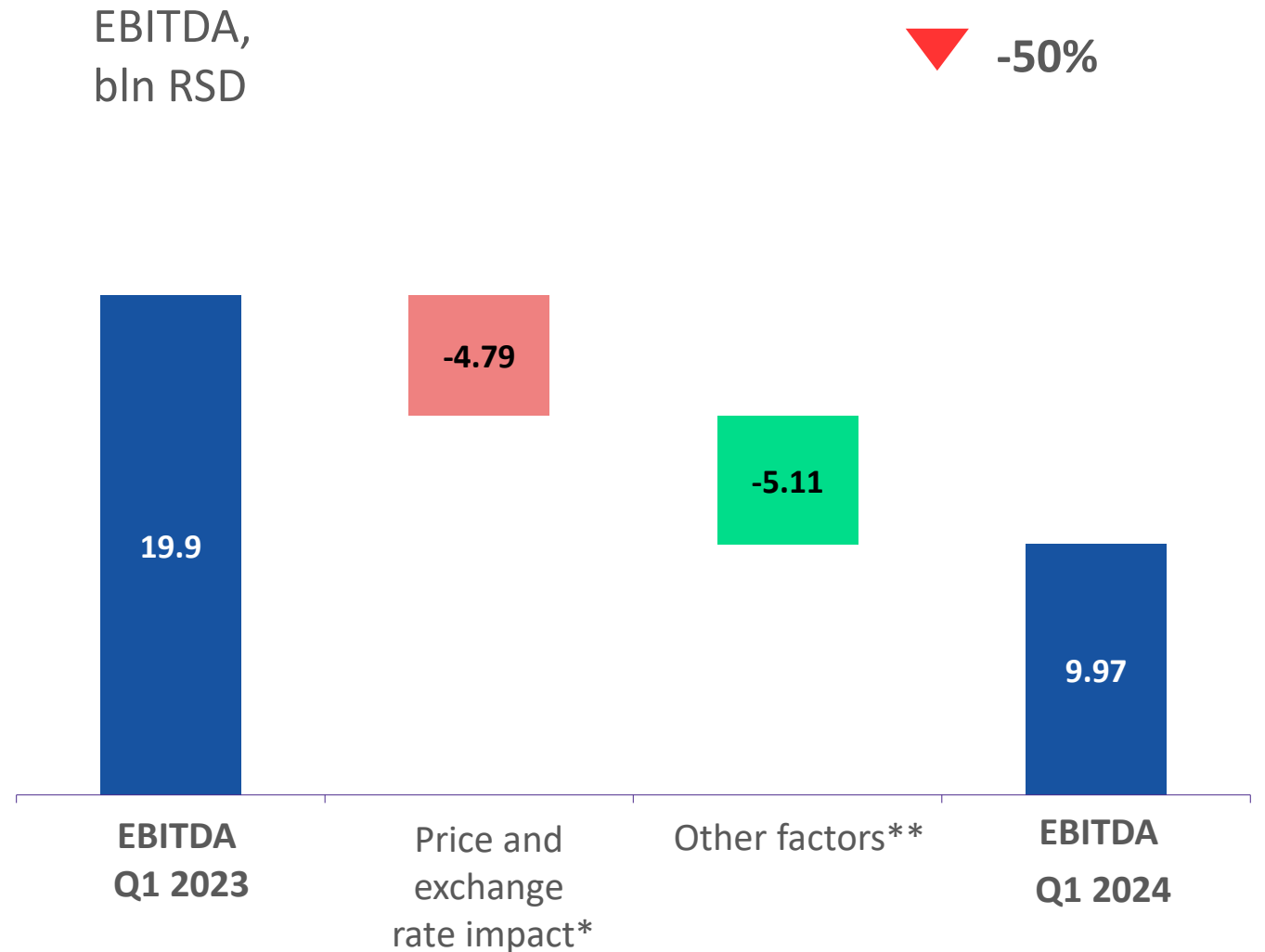
³ Business unit includes the sale in petroleum products of bitumen, bunker and jet fuels.

Financial indicators

EBITDA

Decrease in EBITDA indicator is the consequence of:

- The impact of lower prices for oil products on the global market partially offset by the impact of “cheaper” oil reserves;
- Reduced refining volumes and lower margins on refined products;
- Increase in costs compared to the same period last year;
- Negative HIP-Petrohemija result in 2024.

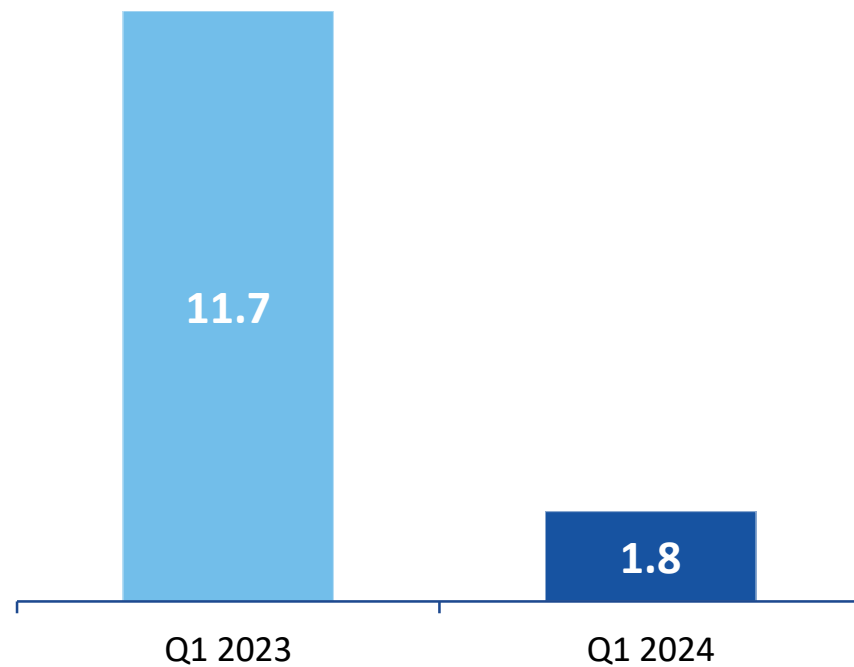


Financial indicators

Net profit

Net profit,
bln RSD

▼ -85%



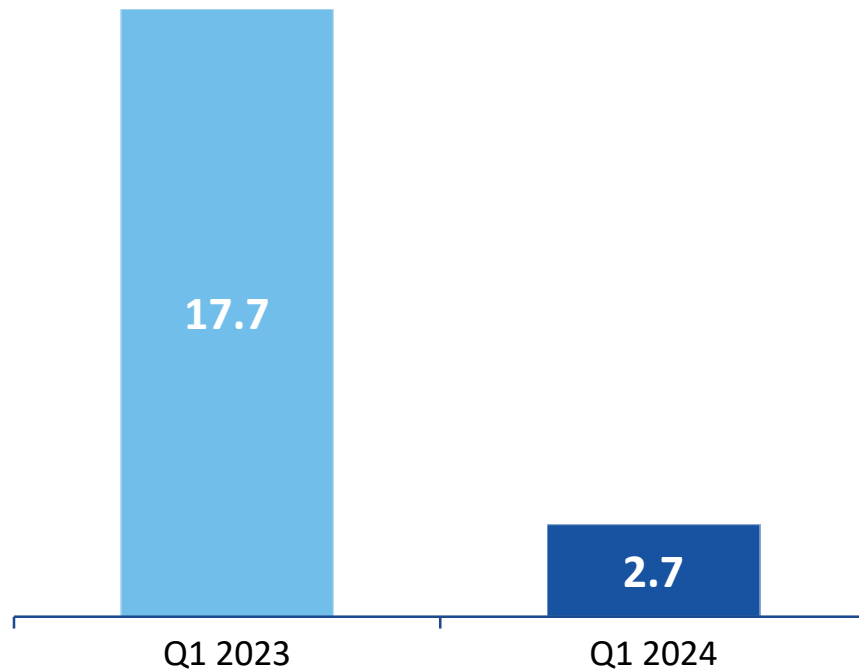
The lower net profit for the first quarter of 2024 compared to the same period last year is a consequence of lower EBITDA and lower financial income.

Financial indicators

OCF

OCF,
bln RSD

▼ -85%

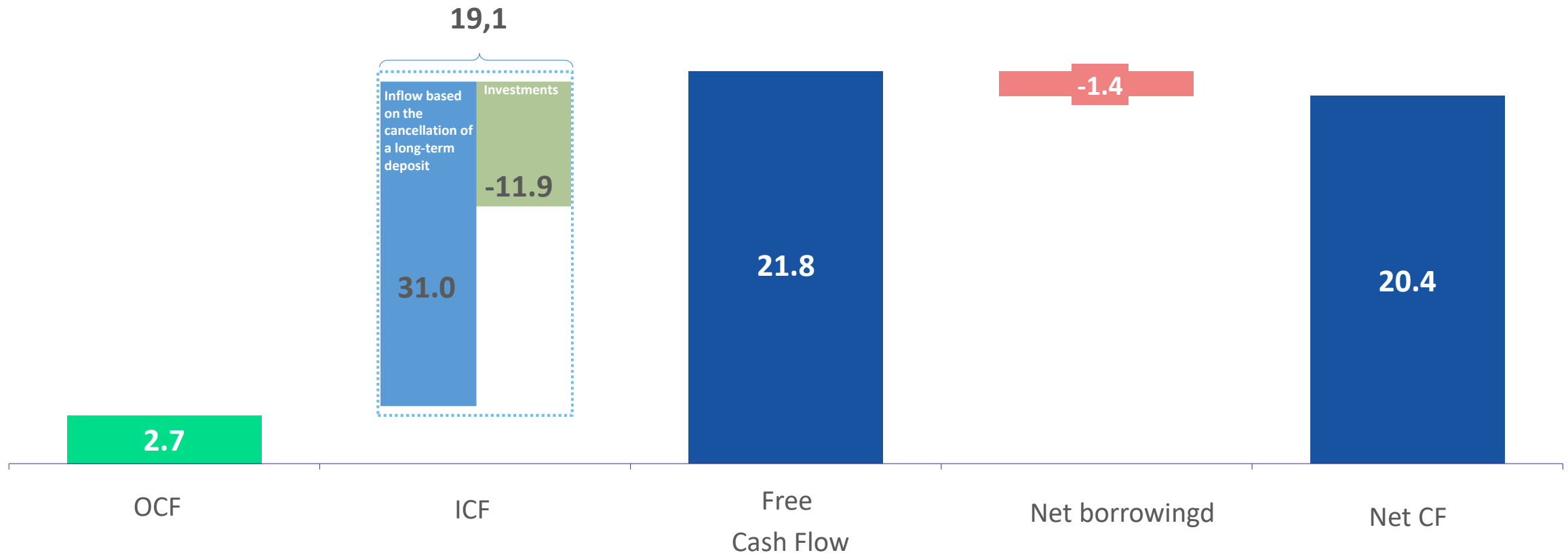


At the end of the first quarter of 2024, the operating cash flow amounts to RSD 2.7 billion, and it is lower compared to the same period last year.

The decline of the OCF indicator in the first quarter of 2024 was influenced by:

- Lower inflows
- Higher operating costs

Realization of CF in Q1 2024, in bln RSD

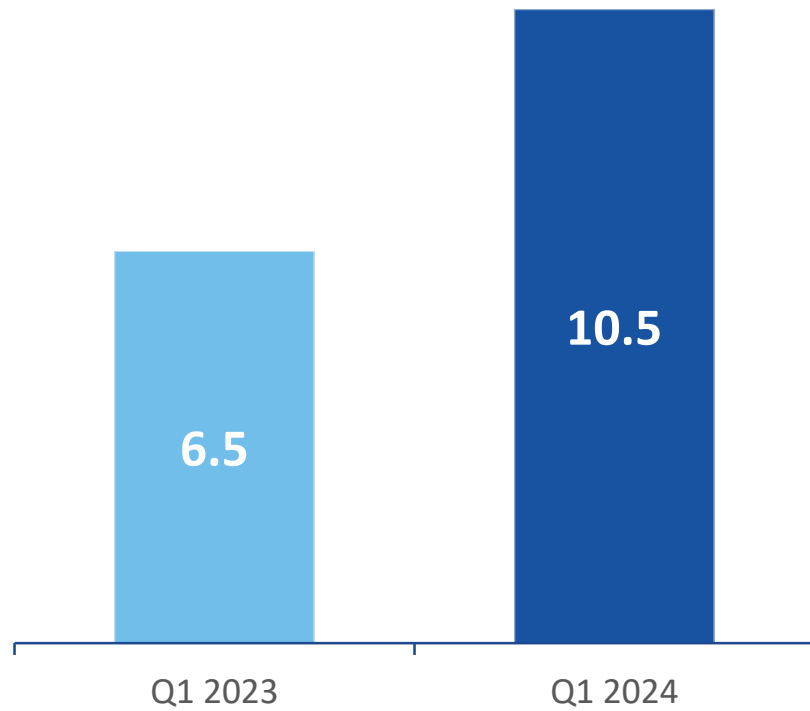


Financial indicators

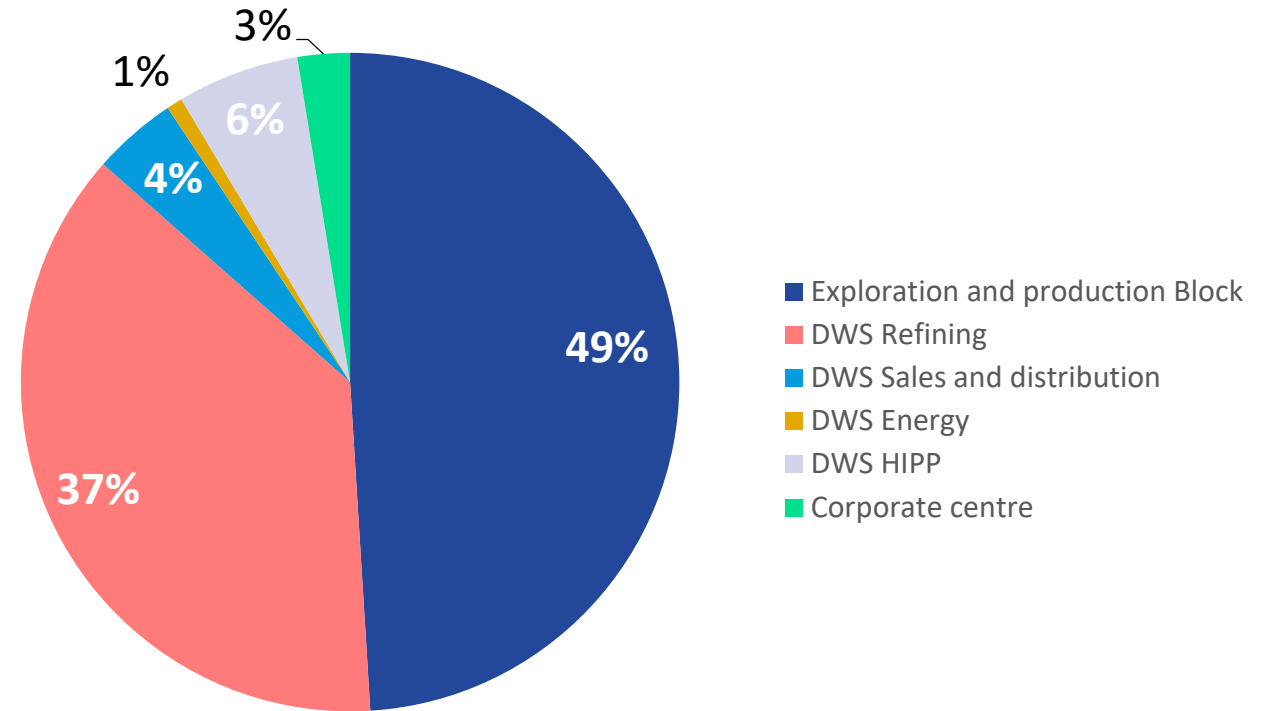
CAPEX

CAPEX¹,
bln RSD

▲ +62%



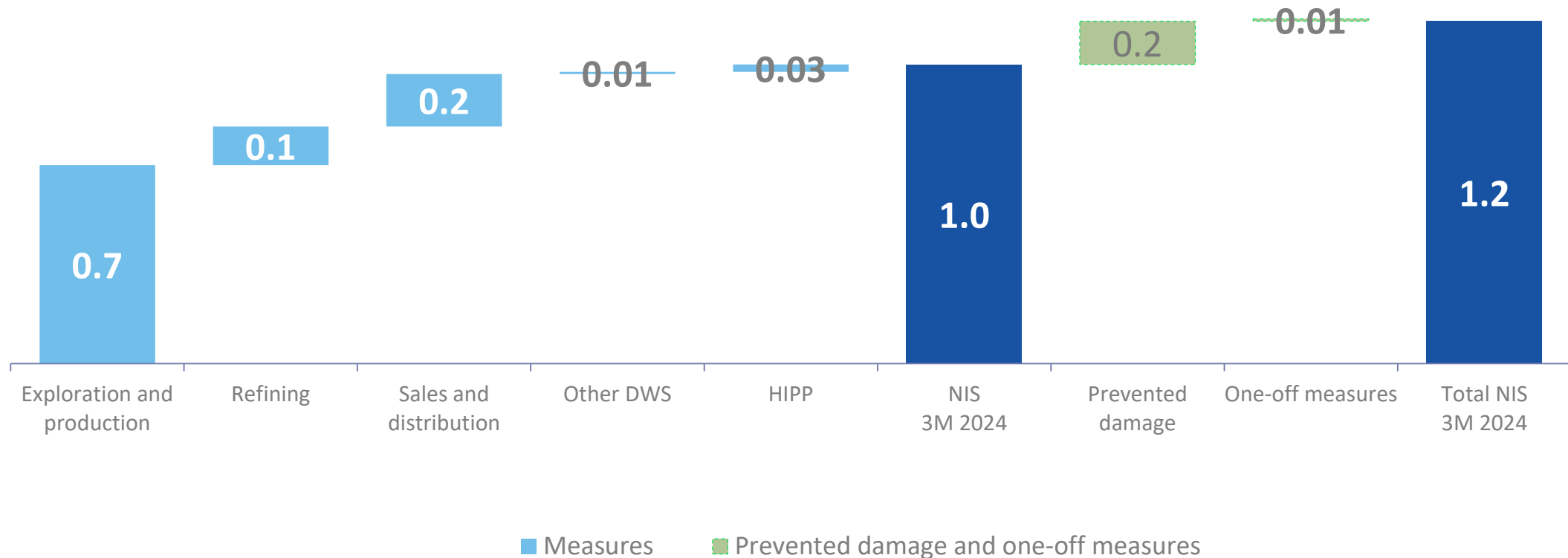
CAPEX by segments



Achievable potential level on EBITDA

Effect of reaching the target level of potential on EBITDA, in RSD billion

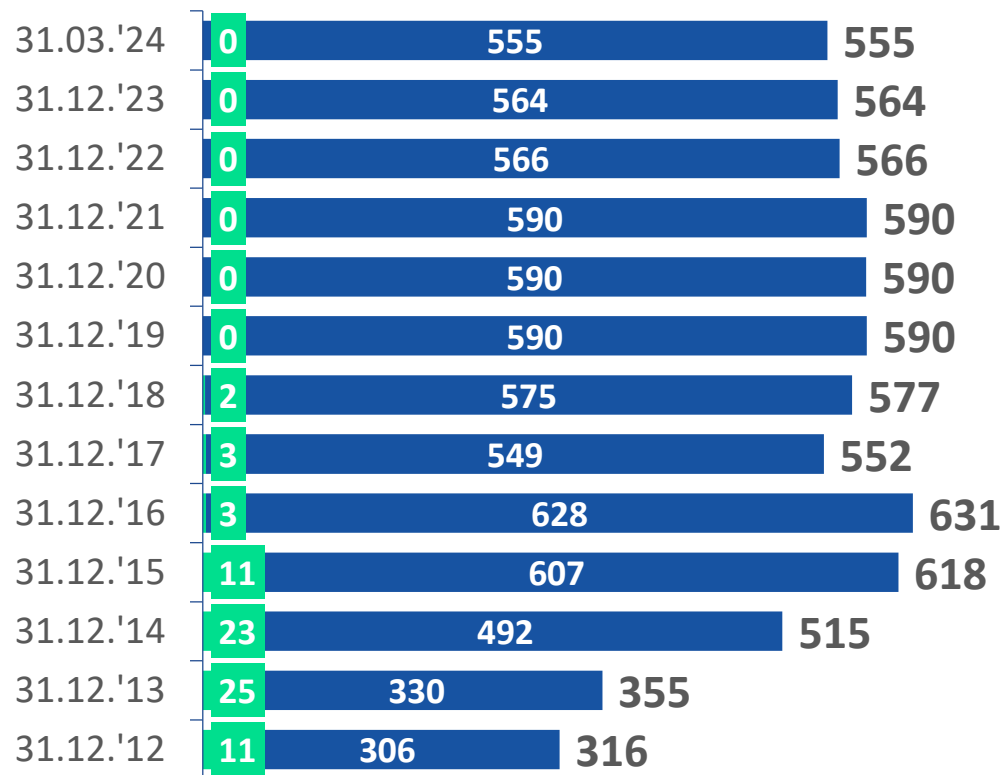
The total effect of reaching the target level of potential on the EBITDA indicator in the first quarter of 2024 equals RSD **1.0** billion.



Debt to banks

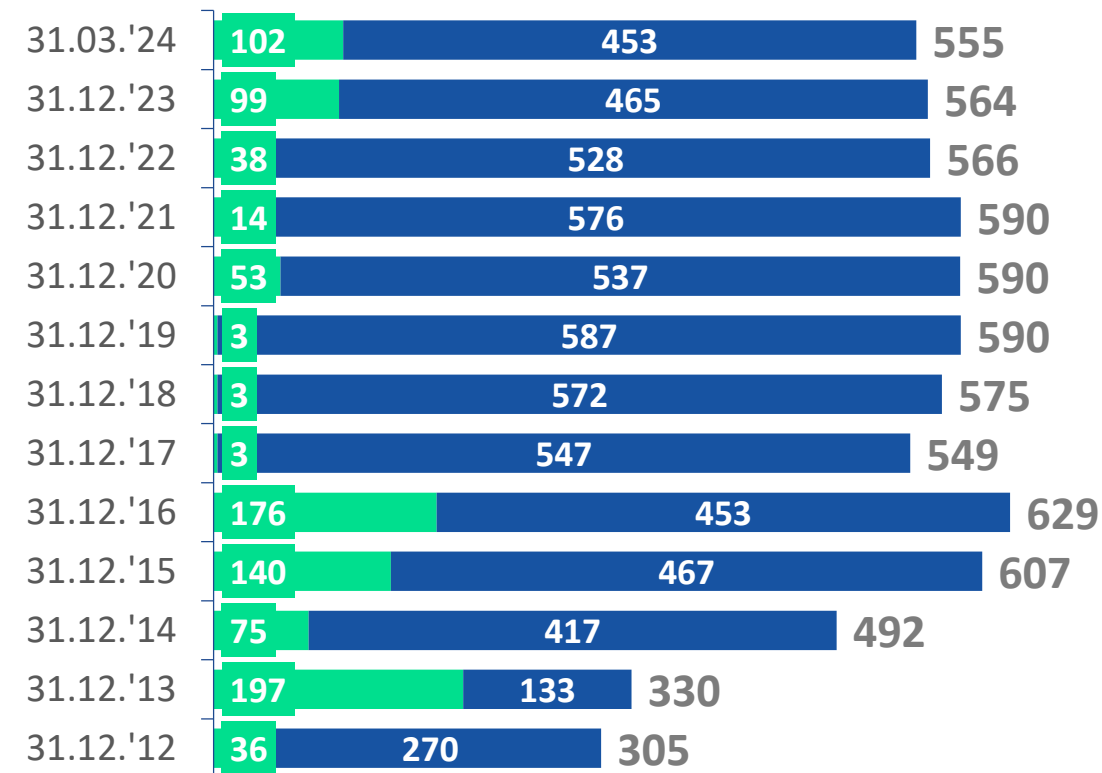
Maturity and Currency Structure of Credit Portfolio

Bank indebtedness, mn EUR



■ Letter to credits ■ Debts to the banks

Debts to banks, mn EUR



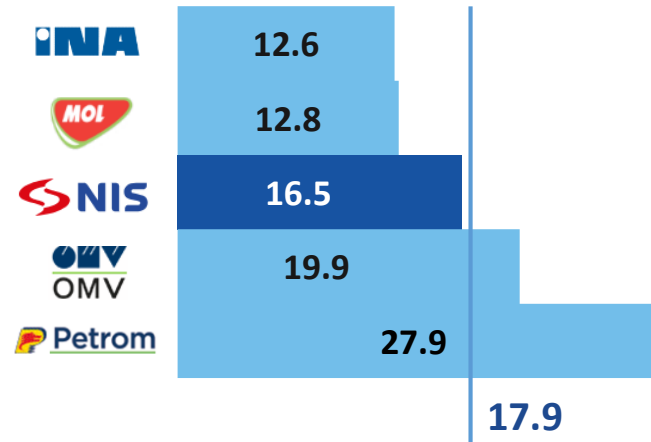
■ up to 1 year ■ over 1 year

Debt structure:

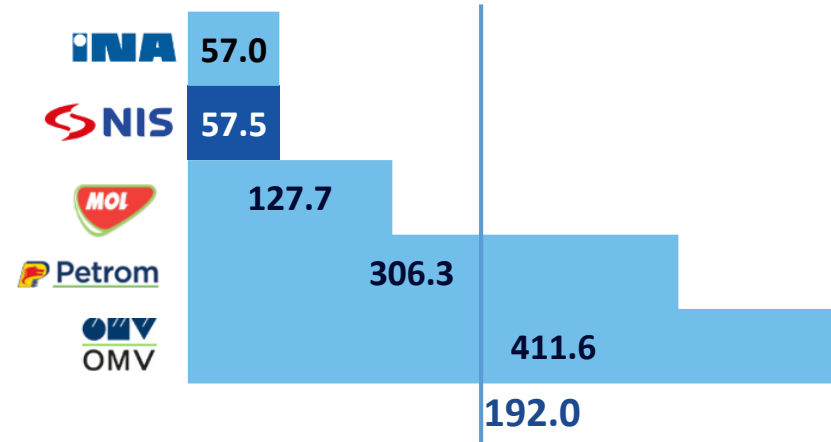
USD 0.0% ▼ EUR 98.7% ▼ Other 1.3% ▲

Benchmarking

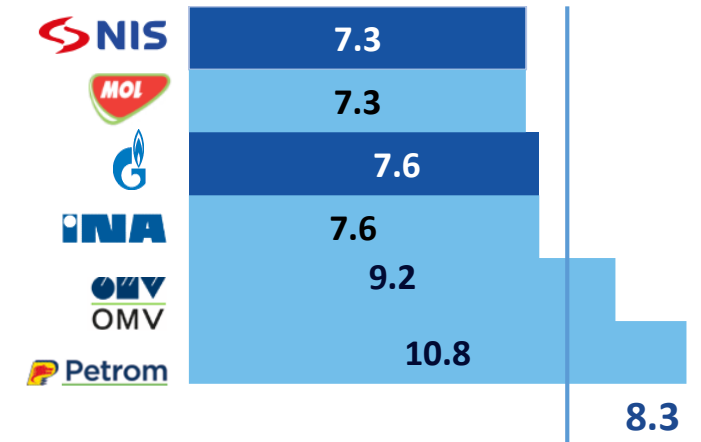
EBITDA margin (%)



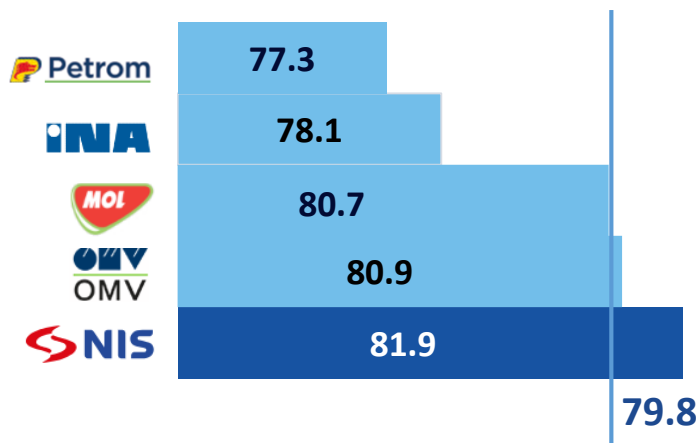
EBITDA/FTE (thou. USD)



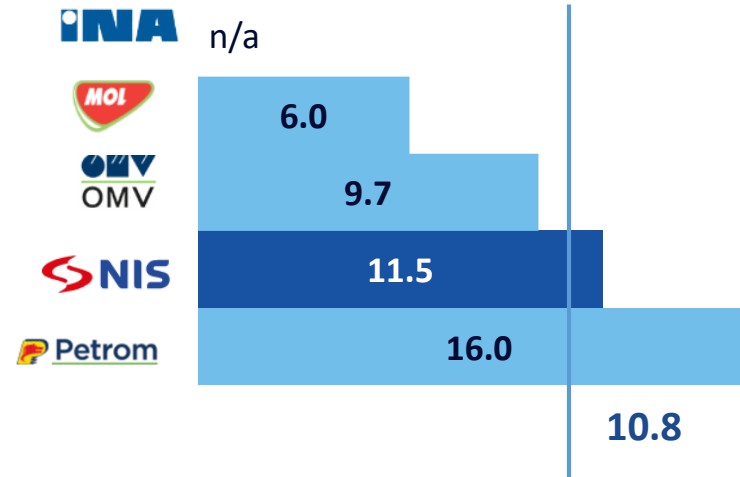
Daily volume(t/day)



Share of light products (%)



UPS OPEX (\$/boe)



Conclusion



▼ Complex macroeconomic conditions

▲ Preserved stability on the domestic market of oil derivatives

THANK YOU

