



# 2024

## **NIS GROUP'S PERFORMANCE PRESENTATION FOR SECOND QUARTER AND FIRST 6 MONTHS OF 2024**

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Function for finance, economics, planning  
and accounting

July 29, 2024

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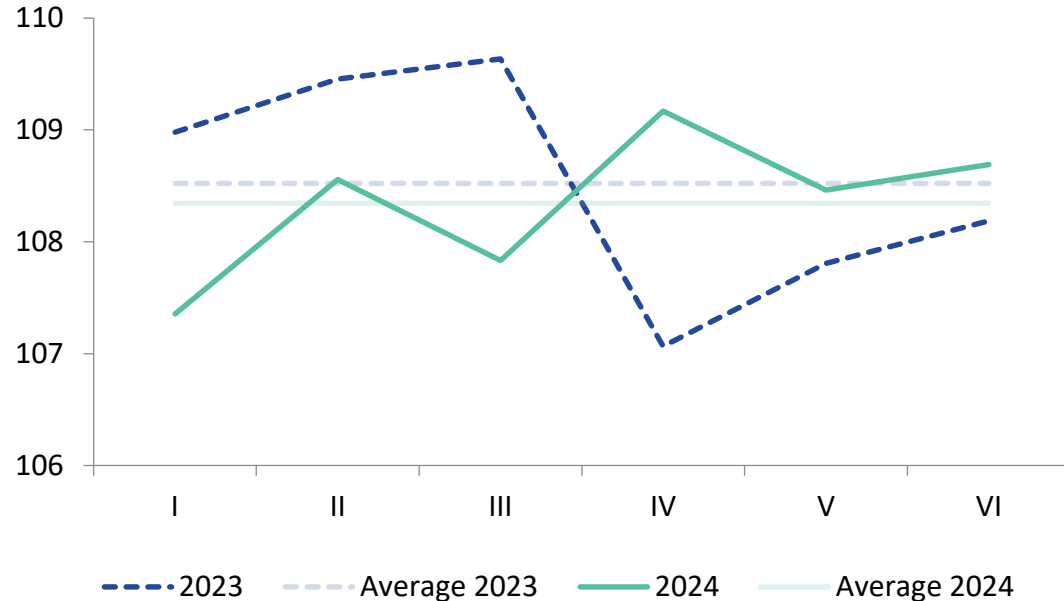
# Macroeconomic Indicators

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



## USD/RSD rate

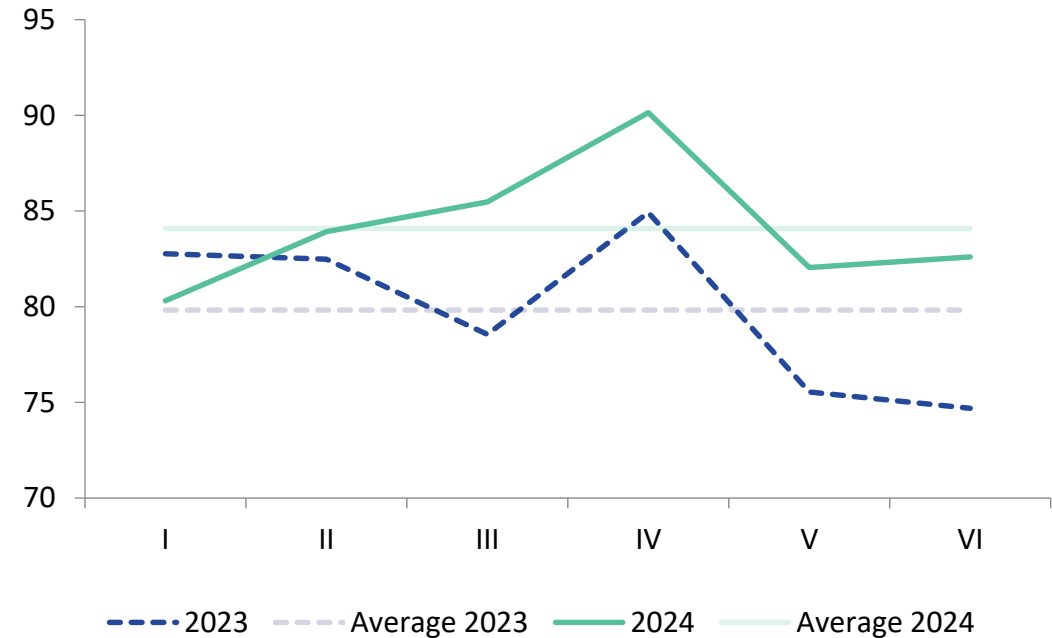
▼ -0,2%



The average USD/RSD exchange rate in the first six months of 2024 was slightly lower by 0,2% compared to the same period last year.

## Brent oil price, \$/bbl

▲ +5%



The average price of Brent oil in the first six months of 2024 is 84\$/bbl, which is an increase of 5% compared to the same period in 2023.



# Block Exploration and production

## NIS in Q2 2024

### NUMBER OF WELLS:

#### Q2 2024

##### Drilled:

**14** development wells in Serbia.

##### Put into operation:

**12** development wells and **1** exploratory well in Serbia.

### MODERNIZATION:

Two new robotic drilling rigs have been purchased and named Tesla and Pupin.

The first of them, Tesla, was put into operation at the Kikinda field.

### FINANCIAL INDICATORS:

#### Q2 2024

CAPEX<sup>1</sup>: **5.4** bln RSD

EBITDA<sup>2</sup>: **10.5** bln RSD

The main goal in the second 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 Q2 2024

### Q2 2024

- Capital overhaul

### VOLUME OF OIL REFINING AND SEMI-PRODUCTS

The total volume of oil refining and semi-products in the second quarter is **762<sup>1</sup>** thousand tons.

### FINANCIAL INDICATORS:

#### Q2 2024

CAPEX<sup>2</sup>: **6.5** bln RSD

EBITDA<sup>3</sup>: **0.6** bln RSD

The focus of the Refining Block in the first half 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.

<sup>1</sup>The presented refining volume includes the refining volume of HIP-Petrohemija

<sup>2</sup>Financing. CAPEX for 6M 2024 is RSD 10.5 billion

<sup>3</sup>EBITDA for 6M 2024 is RSD 2.9 billion

# Key Indicators of Overhaul



## BUDGET

For the purpose of completing the “Overhaul” Project **more than RSD 9 bln** was allocated.



## HSE

Medium injuries sustained by contractors

**3**

Fires

**0**

Injuries sustained by NIS staff

**0**

Environmental Incidents

**0**



## OVERHAUL SCOPE

Repairs made on

**23**

plants

Completed

**12**

investment projects and

**33**

inv. maintenance projects

Involved

**>1,900**

contract staff/day

Realised

**400,000**

man/hours

To complete all these projects allocations were made to

**almost  
RSD 6 bln.**





## Downstream – Sales and distribution

NIS in Q2 2024

### Q2 2024:

- Completion of the reconstruction of PS Prijepolje 2.
- During the period of overhaul in Pančevo Oil Refinery, import of all types of petroleum products was ensured in a volume corresponding to the Downstream plans.
- A continuous supply of all types of petroleum products was ensured on the market of the Republic of Serbia.

### Q2 2024:

- The share of NIS in the Serbian retail market: in the first six months of 2024, the share of NIS is **59%**
- Retail volume in the second quarter of 2024 amounts to **279** thousand tons.

### FINANCIAL INDICATORS:

#### Q2 2024

CAPEX<sup>1</sup>: **1.2** bln RSD

EBITDA<sup>2</sup>: **4.8** bln RSD



# Development Projects Completion in Serbia in 2024



- Projects under way
- Completed projects

**Purchase/Rent and Rebrand**



**Total**

**2**



**Reconstruction**



**Total**

**9**



**Renovation of PS\***



**Total**

**11**







## Downstream - Energy

# NIS in Q2 2024

### Construction of PVPPs<sup>1</sup>:

- In the second quarter, another 9 PVPPs were put into operation, the construction of which was completed in 2023;
- PVPP in the Jazak drinking water factory complex (620 kWp) - was put into trial operation in June;
- Implementation of PVPP project:
  - 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 building<sup>2</sup> with the power of 99.9 kWp;
  - the roof solar photovoltaic power plant in Pančevo Oil Refinery with a power of 600 kWp

### Q2 2024

- The total volume of solar power<sup>3</sup> generated in the second quarter is **29.7 GWh**

### FINANCIAL INDICATORS:

#### Q2 2024

**CAPEX<sup>4</sup>: 307.6 mln RSD**

**EBITDA<sup>5</sup>: 10.8 mln RSD**

**In 2024, the commissioning of the solar power plants constructed in 2023 continues, by means of constructing solar power plants at other facilities that were contracted in 2023 and also preparation of new projects for 2025.**

<sup>1</sup>Photovoltaic power plants

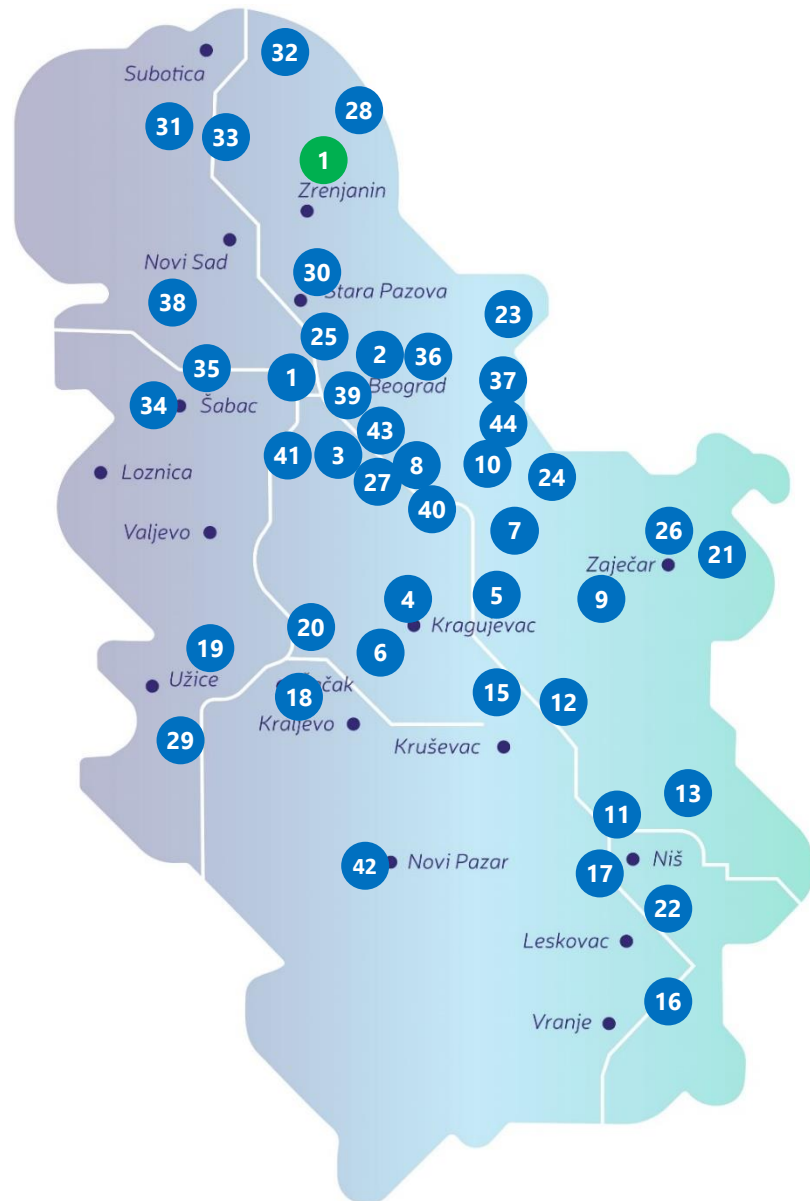
<sup>2</sup>Office building in Novi Sad (A. Teodorovića St.)

<sup>3</sup>The total volume of produced electricity in Power plant Pančevo, small power plants and photovoltaic power plants in 6M 2024 is 57.6 thousand MWh. The total volume of photovoltaic power plants produced electricity in Q2 2024 is 539.4 MWh, and for 6M 2024 is 620.9 MWh.

<sup>4</sup>Financing. CAPEX for 6M 2024 is RSD 389.4 million.

<sup>5</sup> EBITDA for 6M 2024 is RSD -13.6 million.

# Implementation of solar power projects in Serbia on PSs<sup>1</sup>



2022

PS Name	Power (kW)
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

2023

PS Name	Power (kW)
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

2024

PS Name	Power (kW)
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
36 Avalski put	45.50
37 Plinara	32.76
38 Bačka Palanka City	32.76
39 Zmaj 1	32.76
40 Mali Požarevac	38.22
41 Obrenovac City	30.03
42 Novi Pazar 2	32.76
43 Tošin bunar	32.76
44 Kovin	32.76

2024

PS Name	Power (kW)
1 Zrenjanin 2	32.76

44

In process

1

Under construction



## Downstream – HIP Petrohemija

NIS in Q2 2024

### Q2 2024

- Completed planned suspension of factory operations, which was implemented in order to increase energy efficiency and equipment reliability.

### Q2 2024

- The activities of the first phase of the project “construction of the plant for the production of polypropylene” are proceeding according to plan - the contract for the preliminary project of pre-execution engineering was signed in June

### FINANCIAL INDICATORS:

#### Q2 2024

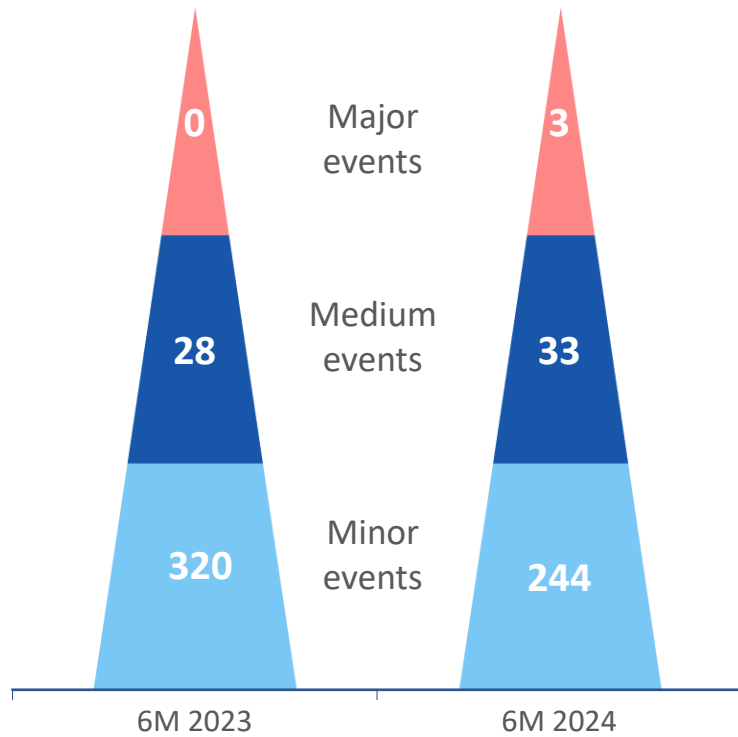
**CAPEX<sup>1</sup>: 0.1** bln RSD

**EBITDA<sup>2</sup>: -2.4** 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.

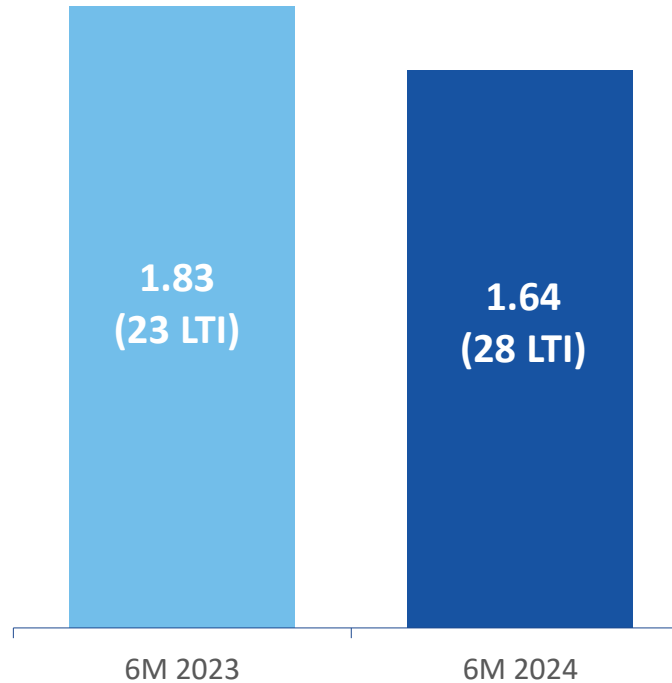
# HSE indicators<sup>1</sup>

Number of events in NIS



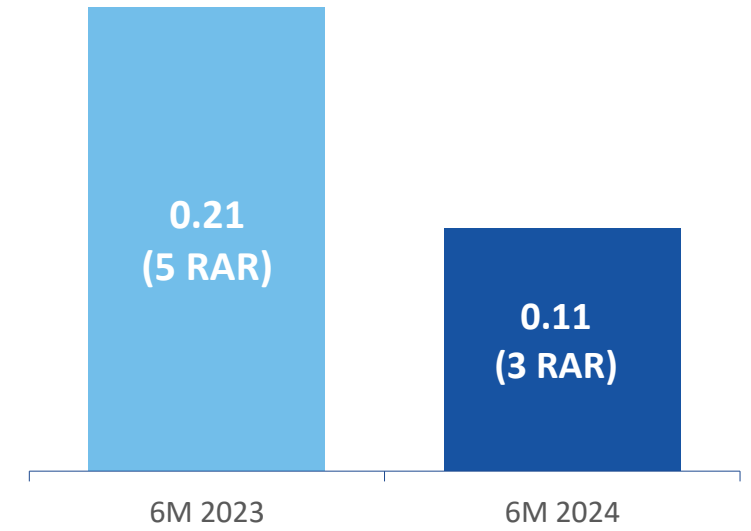
LTIF<sup>2</sup>

▼ -10%



RAR<sup>3</sup>

▼ -48%



<sup>1</sup> Incidents in HIP Petrohemija from 01.01.2024 are included in the general statistics for NIS.

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

<sup>3</sup> RAR (Road Accident Rate) - Indicator of the number of traffic accidents.

# Key indicators

Q2 2024	Q2 2023	Δ (%)	Key indicators	Unit of measures	6M 2024	6M 2023	Δ (%)
84.9	78.4	▲ +8%	Brent Dtd	\$/bbl	84.1	79.8	▲ +5%
112.0	91.0	▲ +23%	Sales revenues	bn RSD	198.4	186.9	▲ +6%
12.8	8.6	▲ +49%	EBITDA	bn RSD	22.8	28.5	▼ -20%
3.6	2.0	▲ +75%	Net profit	bn RSD	5.3	13.7	▼ -61%
7.2	-22.4	▲ growth	OCF	bn RSD	9.8	-4.8	▲ growth
64.4	56.7	▲ +14%	Accrued liabilities based on public revenues	bn RSD	118.1	107.0	▲ +10%
286	288	▼ -1%	Oil and gas output	thou. TOE	575	571	▲ +1%
762	1,020	▼ -25%	Crude oil and semi-finished products output	thou. tonnes	1,403	1,976	▼ -29%
902	960	▼ -6%	Total petroleum products sales volume	thou. tonnes	1,651	1,869	▼ -12%
13.9	5.1	▲ +175%	CAPEX	bn RSD	24.4	11.6	▲ +111%
580	553	▲ +5%	Total debt to banks (total debt to banks + letters of credits)	mn EUR	580	553	▲ +5%

<sup>1</sup>The presented refining volume includes the refining volume of HIP-Petrohemija. Refining volume calculations for Q2 and 6M 2023 are methodologically different than in Q2 and 6M 2024 due to the consolidation of HIPP in the second half of 2023.

<sup>2</sup>The presented volume includes the volume of petrochemical products of HIP-Petrohemija. Sales volume calculations for Q2 and 6M 2023 are methodologically different than in Q2 and 6M 2024 due to the consolidation of HIPP in the second half of 2023.

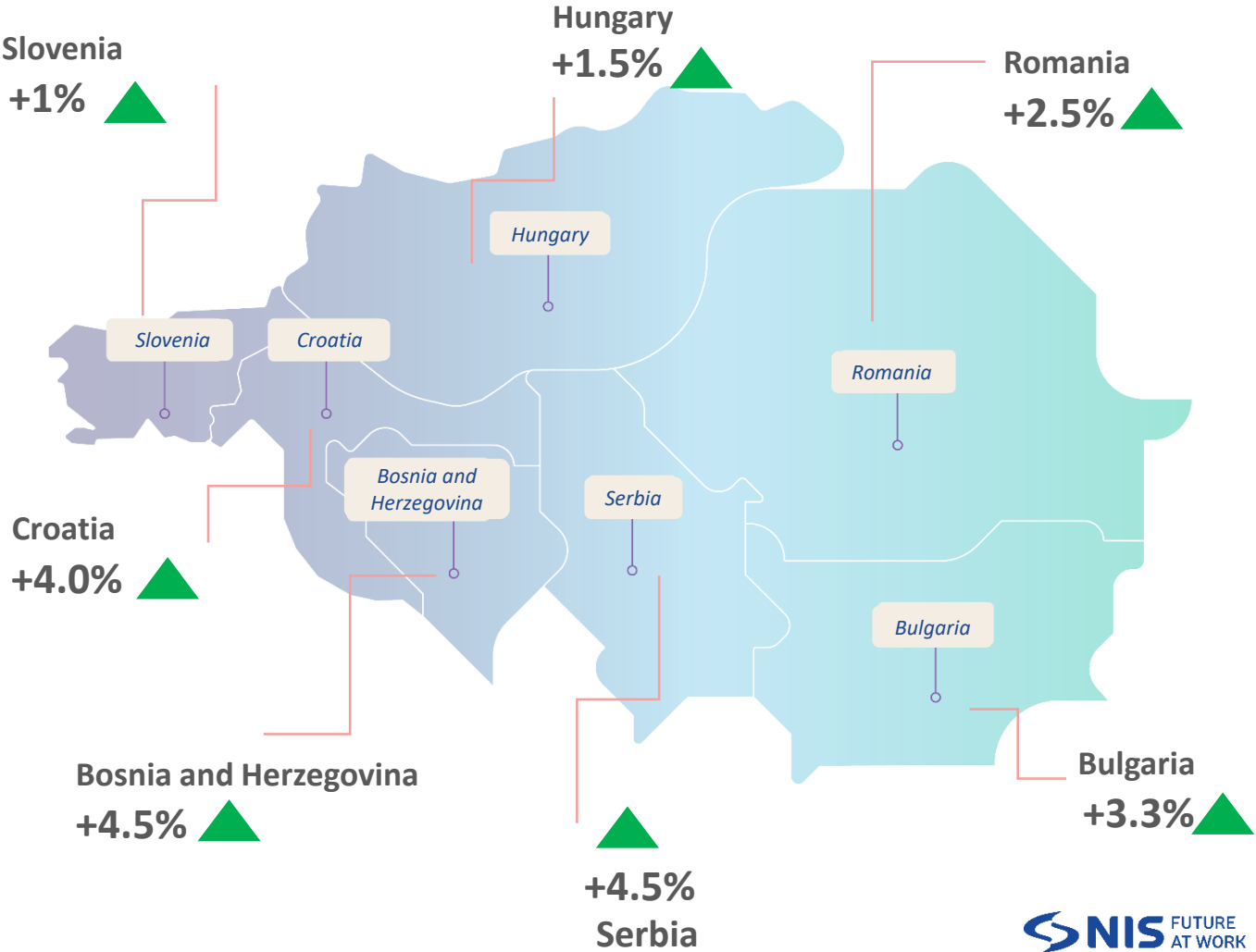
# HIP-Petrohemije: Key Operating and Financial indicators

Key indicators	Unit of measures	Q2 2024	6M 2024
Production of petrochemical products	thousand tons	35.8	111.5
Refining of primary gasoline	thousand tons	54.9	153.9
Petrochemical product sales	thousand tons	52.9	113.9
EBITDA	RSD billion	-2.4	-3.2
Net loss	RSD billion	-2.3	-3.2
CAPEX <sup>1</sup>	RSD billion	0.1	0.6

<sup>1</sup>Financing. CAPEX amounts are excluding VAT.

# Motor Fuel Market Trends 6M 2024/6M 2023

- The growth of consumption has been recorded in all countries of the region.
- After last year's decline, motor fuel consumption is recovering in Hungary as well.



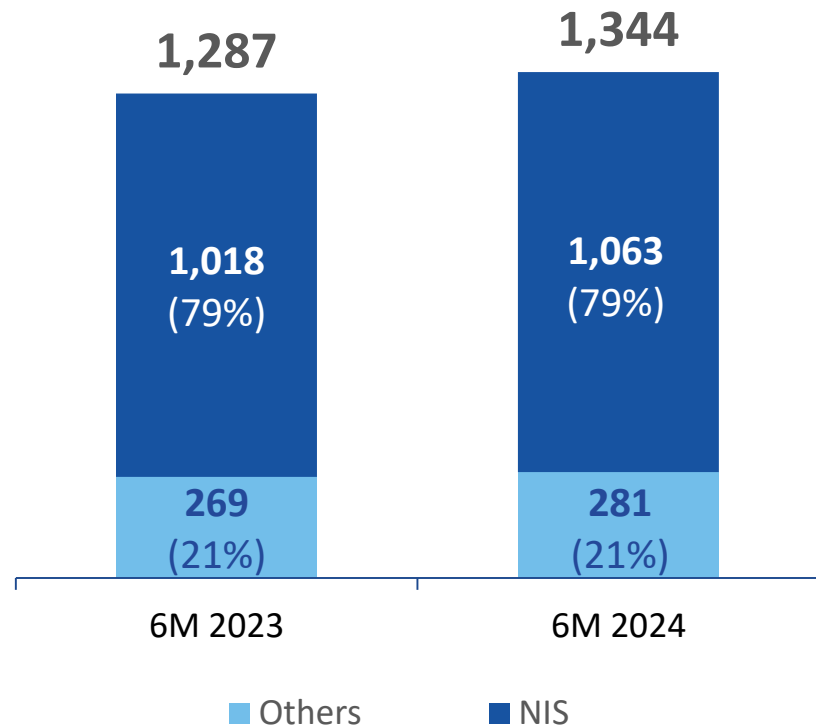


# Market Share - Serbia:

## Motor fuels market

Motor fuels market volume,  
thousand tonnes<sup>1</sup>

▲ +4%



The first half of 2024 is characterized by a 4.5% increase in motor fuels in Serbia compared to the same period of the previous year.

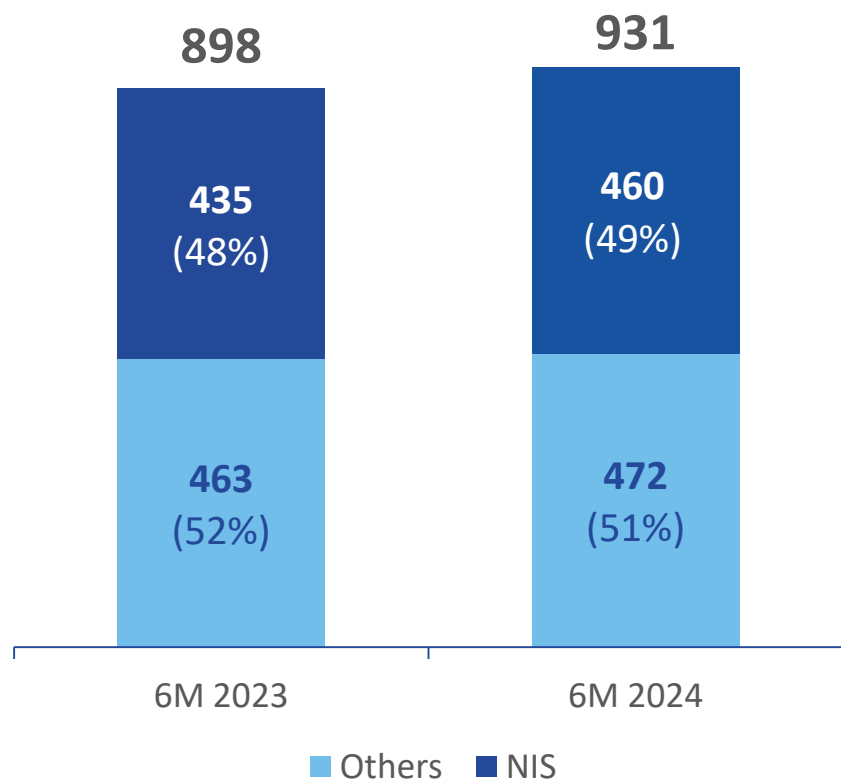
The continuation of ongoing infrastructure works and the start of new ones, the war of transport and consumption in mining, as well as meteorological conditions and the earlier agricultural season, influenced the aforementioned growth.

# Market Share - Serbia:

## Motor fuel retail market

Retail market,  
thousand tonnes<sup>1</sup>

▲ +4%

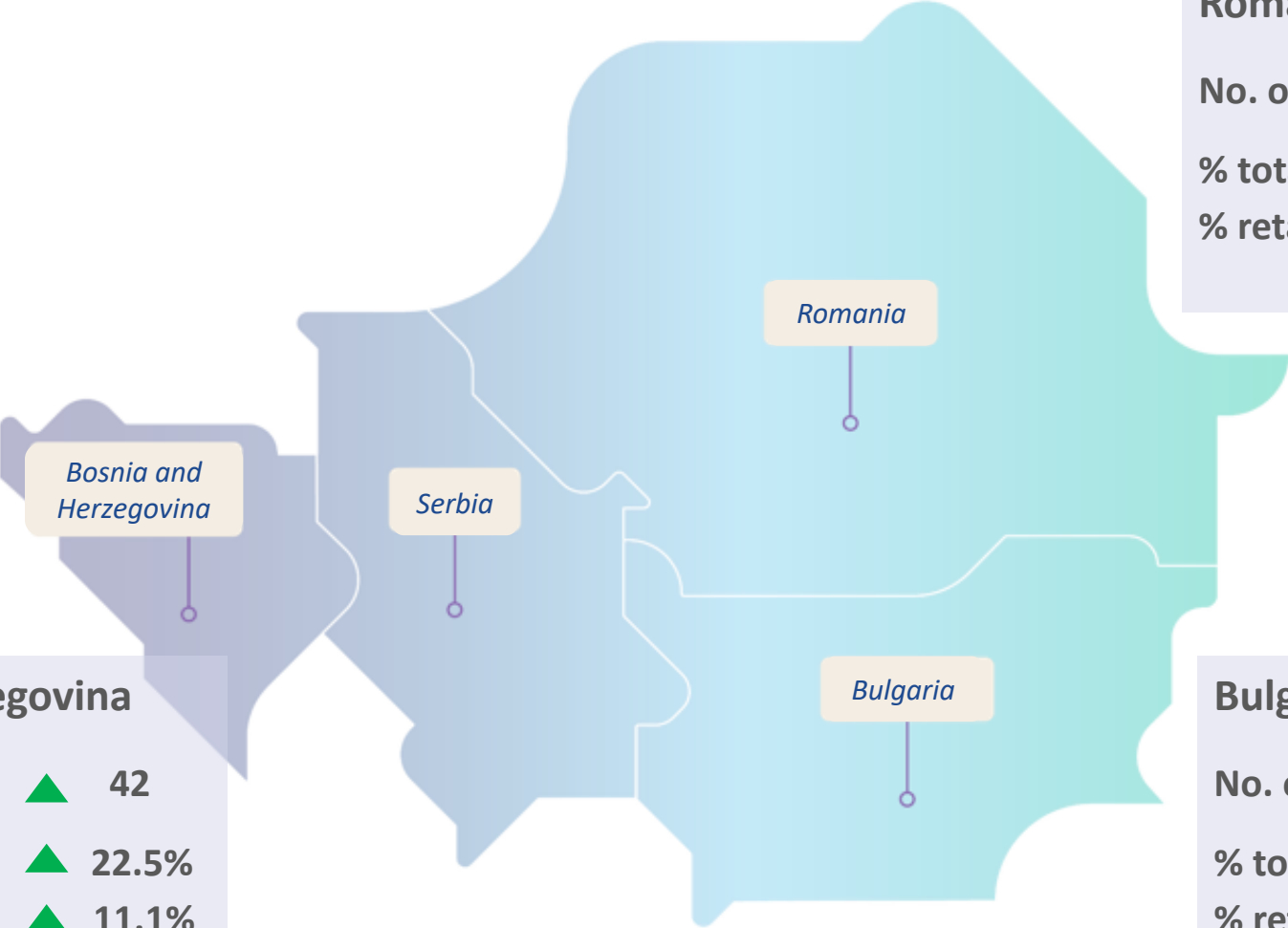


- In the first six months of 2024, consumption recorded an increase compared to 2023 by 3.7%. The participation of NIS is significant. The Regulation prescribes a preferential price for the supply of farmers, which, especially in periods of a large difference with the base retail price, has a positive effect on the participation of NIS. Transit seasonal traffic is of a slightly changed seasonality due to major sports events in Germany.
- In 2024, the NIS company successfully completed the planned overhaul of the Pančevo Oil Refinery. During the overhaul, NIS ensured the safe supply of oil derivatives to the Serbian market in all sales channels.

The total number of petrol stations in  
NIS j.s.c. In Serbia on June 30, 2024

**330**

# Market share – region 6M 2024/6M 2023



## Bosnia and Herzegovina

No. of PS': ▲ 42  
% total market: ▲ 22.5%  
% retail market: ▲ 11.1%

## Romania

No. of PS': ► 19  
% total market: ► 0.5%  
% retail market: ► 0.8%

## Bulgaria

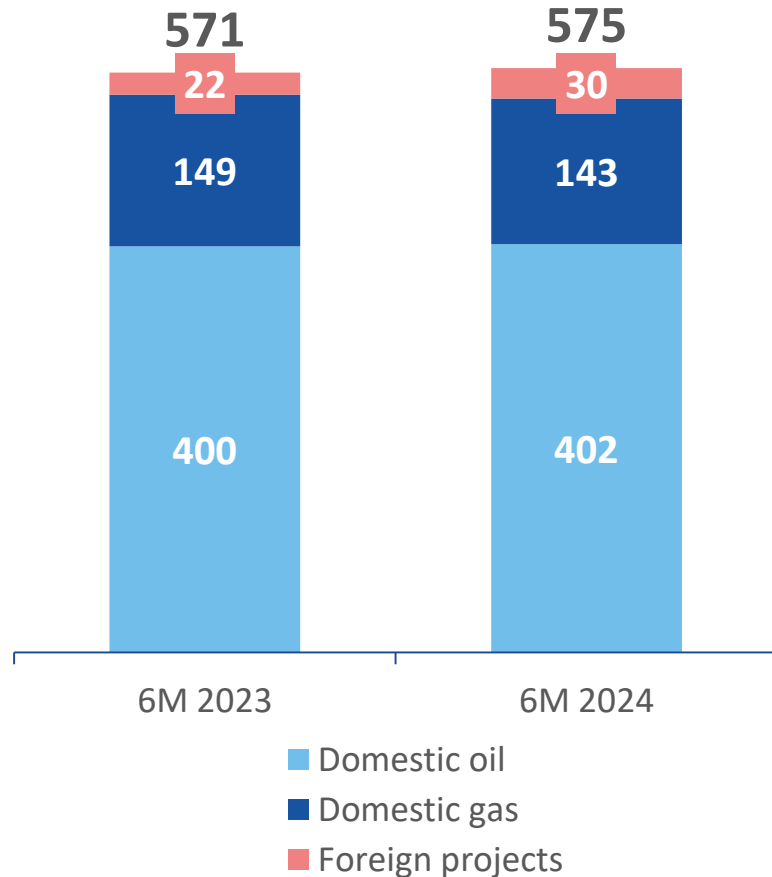
No. of PS': ► 23  
% total market: ▼ 1.9%  
% retail market: ▼ 2.3%

# Operating Indicators

## Exploration and production

Oil and gas output,  
thou. TOE

▲ +1%

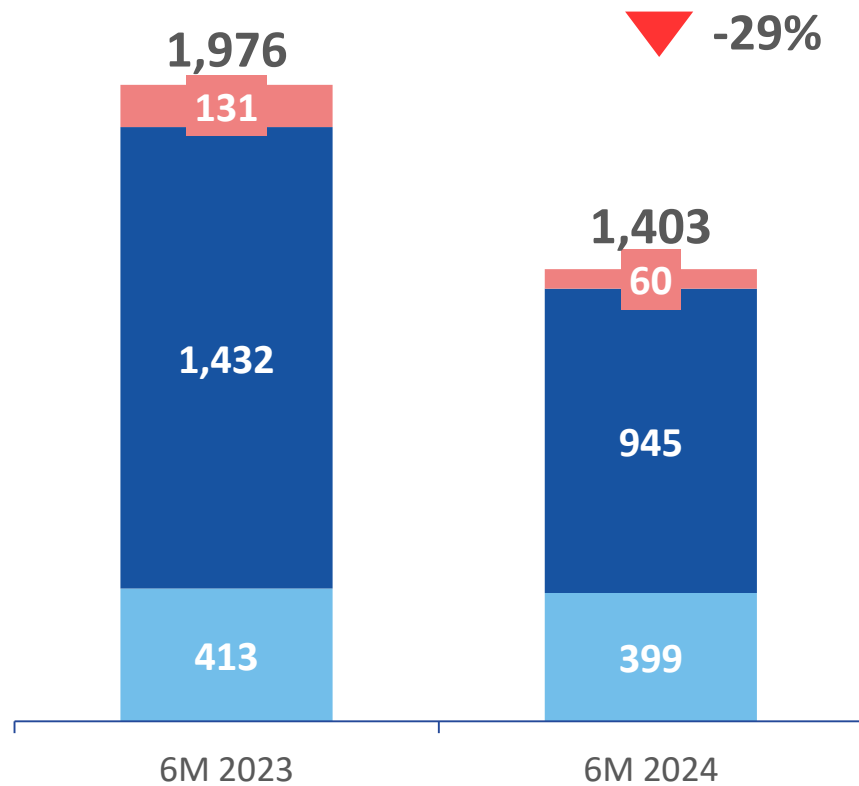


- Planned volume of hydrocarbon production achieved.

# Operating Indicators

## Downstream Refining

Refining of oil and semi-finished products<sup>1</sup>,  
thousand tonnes



■ Domestic oil ■ Imported oil ■ Semi-finished products

The volume of refining has been reduced by 29% compared to 6M 2023.

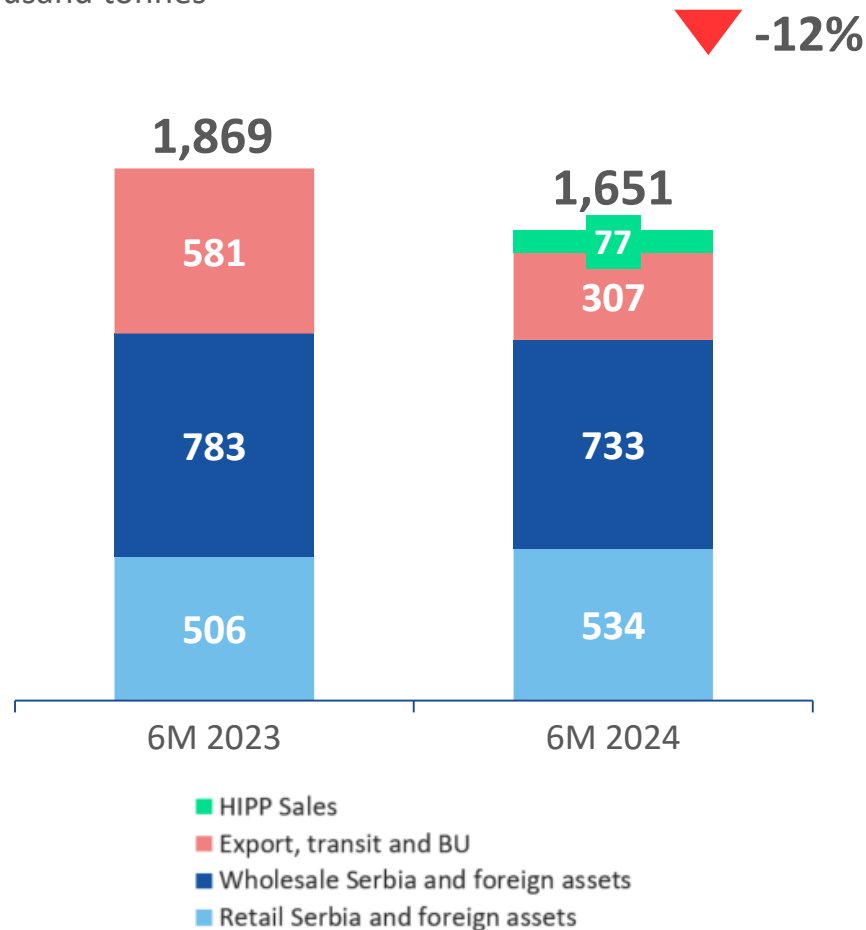
Decrease in the volume of refining is the consequence of:

- Capital overhaul.

# Operating Indicators

## Downstream Sales and distribution

Sales volume<sup>1</sup>,  
thousand tonnes



- Retail in Serbia and Foreign Assets - a 5% increase:
  - the growth trend of retail sales in Serbia in the agricultural volume – increased demand from farmers
  - the growth of retail sales of foreign assets – the activities of the management and the good weather increased frequency of customers and therefore the increase in sales in the second quarter of this year compared to the same period in 2023, which fully compensated for the drop in sales in Bulgaria that occurred due to the decrease in the number of petrol stations compared to last year
- Wholesale in Serbia and Foreign Assets<sup>2</sup> – a 13% decrease primarily due to:
  - favorable weather conditions, which at the beginning of the year in Serbia affected the reduced demand for fuel oil. In addition, the shipment of all derivatives was in accordance with the available quantities (overhaul of Pančevo Oil Refinery and overhaul of HIP-Petrohemija).
- Export, transit and BU<sup>3</sup>:
  - Decrease in transit sales volumes due to methodological changes in presenting primary gasoline sales volumes from NIS to HIP-Petrohemija: the transit sales channel included primary gasoline (the sales of HIP-Petrohemija and to third parties) for the first six months of 2023, as opposed to the first six months of 2024, when this sales volume was excluded due to consolidation (140,000 tons), and the sales of HIP-Petrohemija to third parties of 77,000 tons for 6M 2024 was separated into a separate channel;
  - Aviation fuel sales growth compared to the first 6M of 2023, due to the increase in traffic of Air Serbia and foreign airlines;
  - Sales growth within the bunkering channel due to increased river traffic activity;
  - Reduction of sales of bitumen and coke due to shipment in accordance with less available quantities as a result of Pančevo Oil Refinery overhaul.

<sup>1</sup> The presented volume includes the volume of petrochemical products of HIP-Petrohemija. Sales volume calculations for Q2 and 6M 2023 are methodologically different than in Q2 and 6M 2024 due to the consolidation of HIPP in the second half of 2023.

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

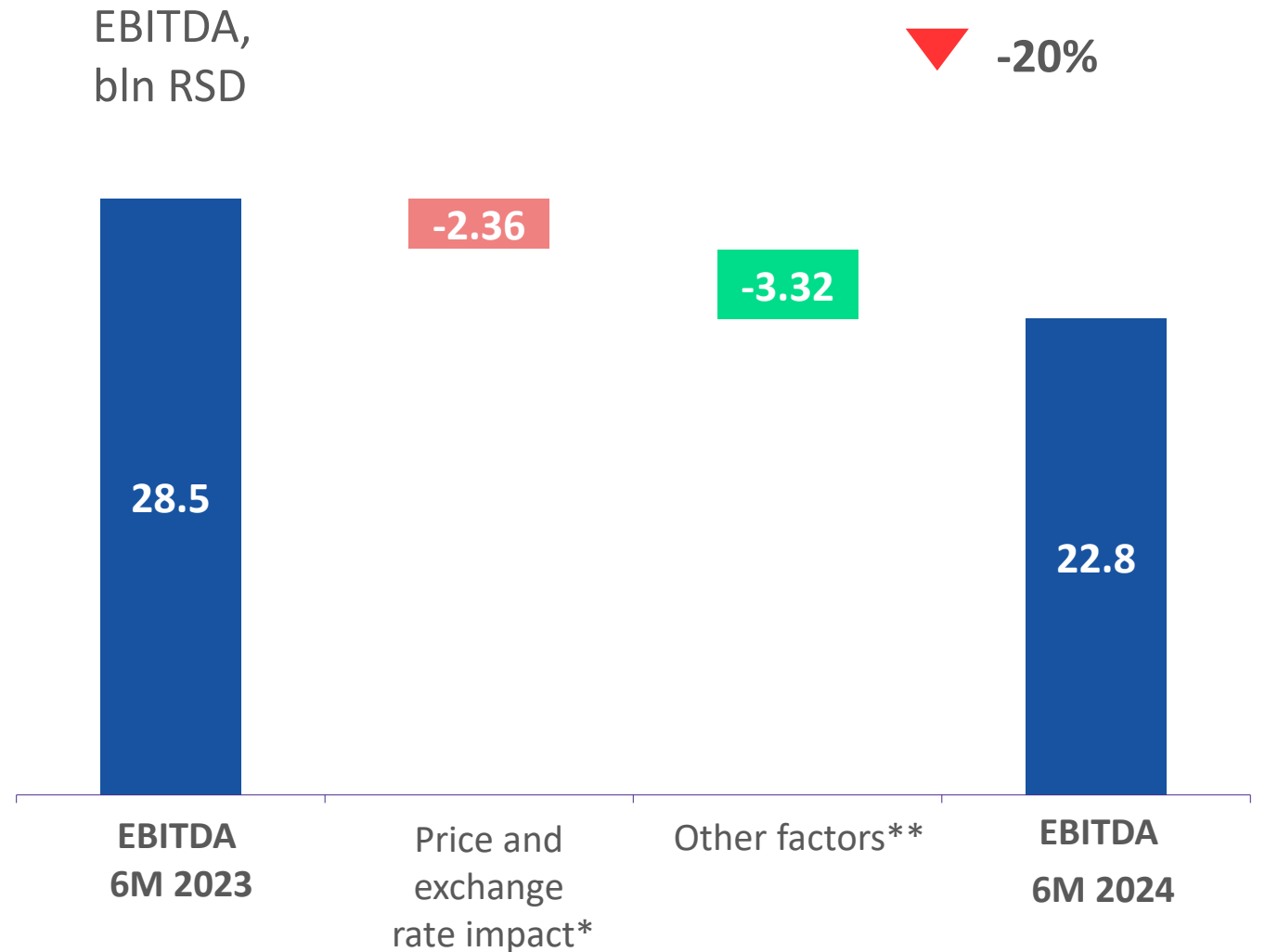
<sup>3</sup> Business unit includes the sale in petroleum products of bitumen, bunker and jet fuels.

# Financial indicators

## EBITDA

Lower EBITDA compared to 6M 2023 is due to the following:

- The impact of lower prices for oil products on the global market partially offset by the impact of “cheaper” oil reserves;
- The negative impact of capital repairs was partially offset by increased margins on petroleum products;
- Increase in costs compared to the same period last year;
- Negative HIP-Petrohemija result in 2024.



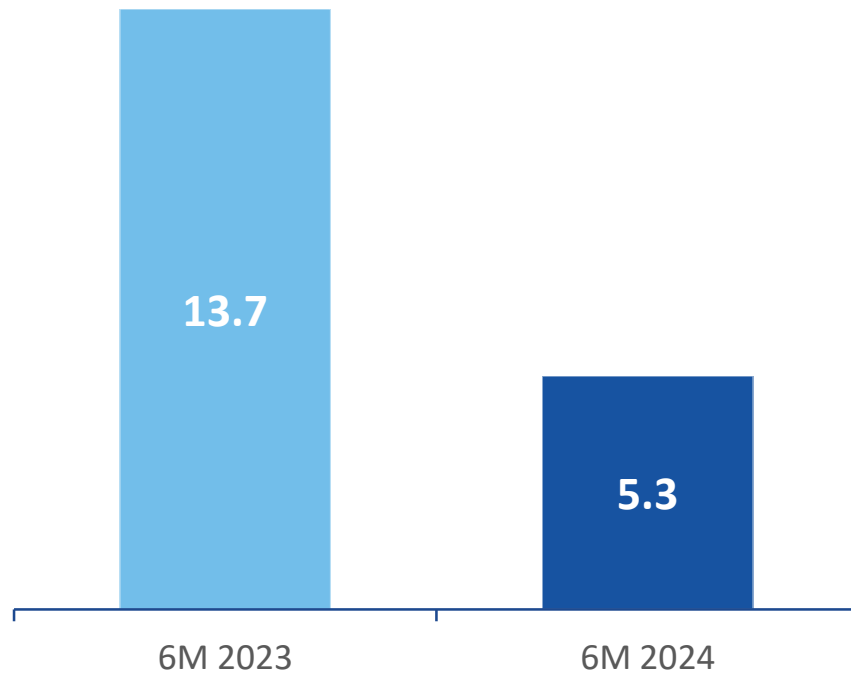


# Financial indicators

## Net profit

Net profit,  
bln RSD

▼ -61%

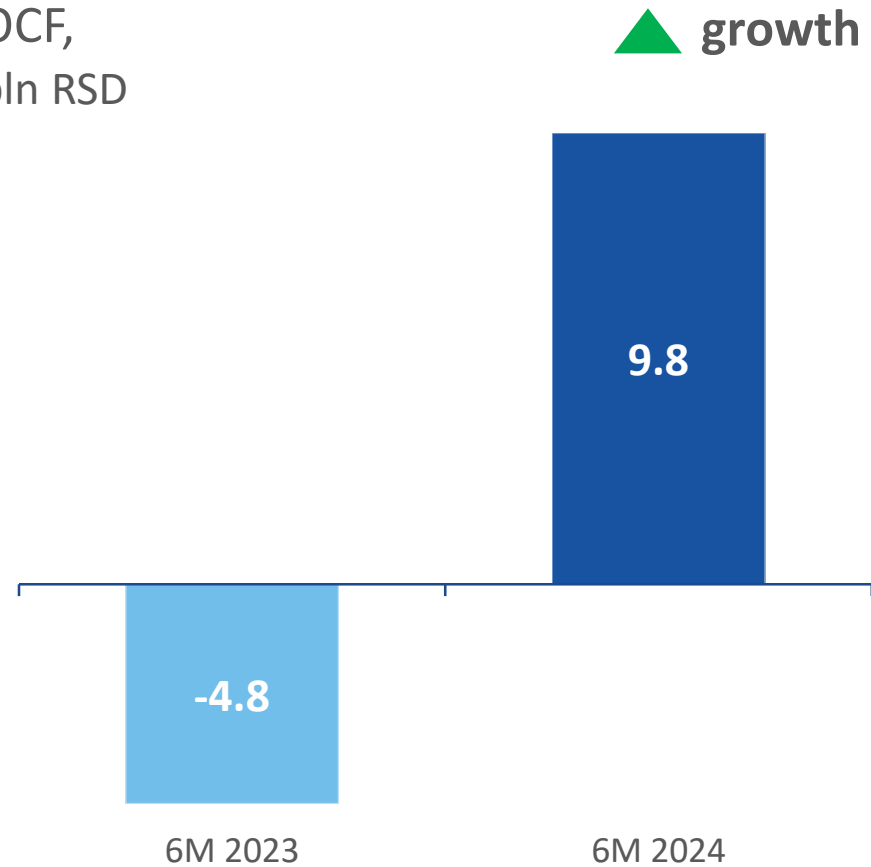


The lower net profit for the first six months of 2024 compared to the same period last year is a consequence of lower EBITDA, increased depreciation costs and decreased financial profit from interest on deposits.

# Financial indicators

## OCF

OCF,  
bln RSD

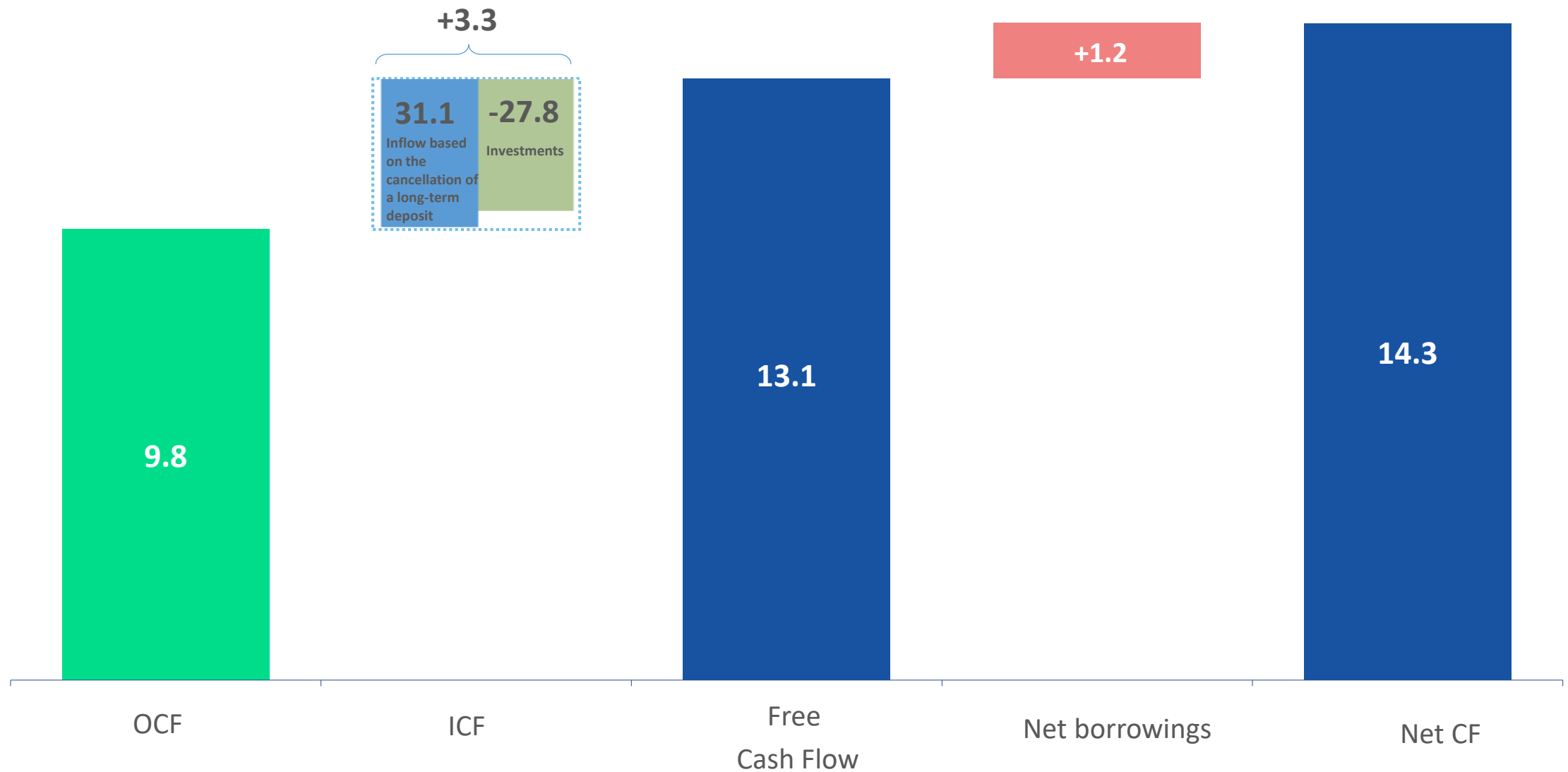


In the first half of 2024, the operating cash flow amounts to RSD 9.8 billion, and it is higher compared to the same period last year.

The increase of the OCF indicator in the first half of 2024 was influenced by:

- Higher inflows
- Lower cash outflows from operating activities

# Realization of CF in 6M 2024, in bln RSD

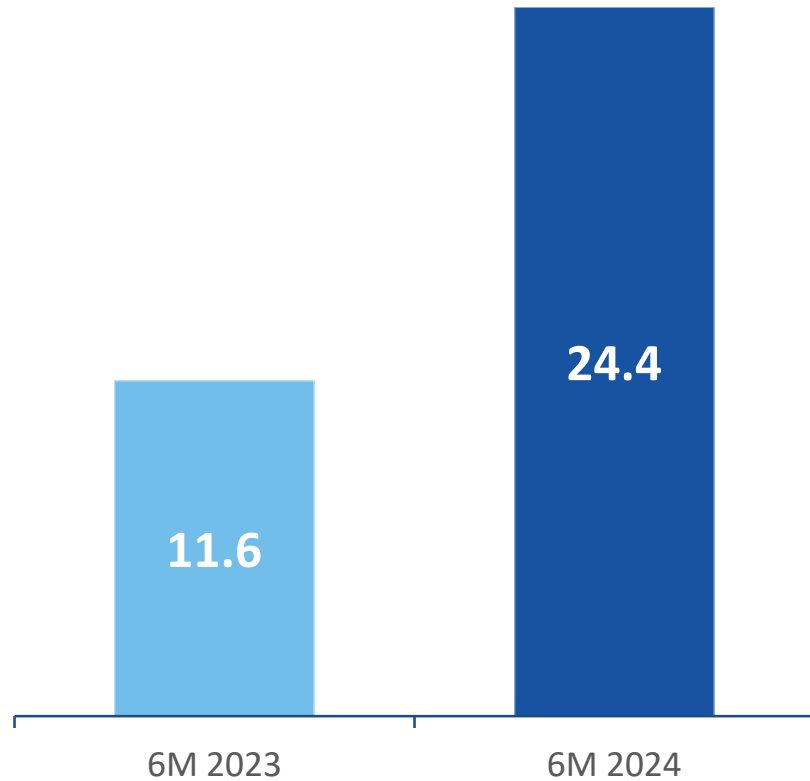


# Financial indicators

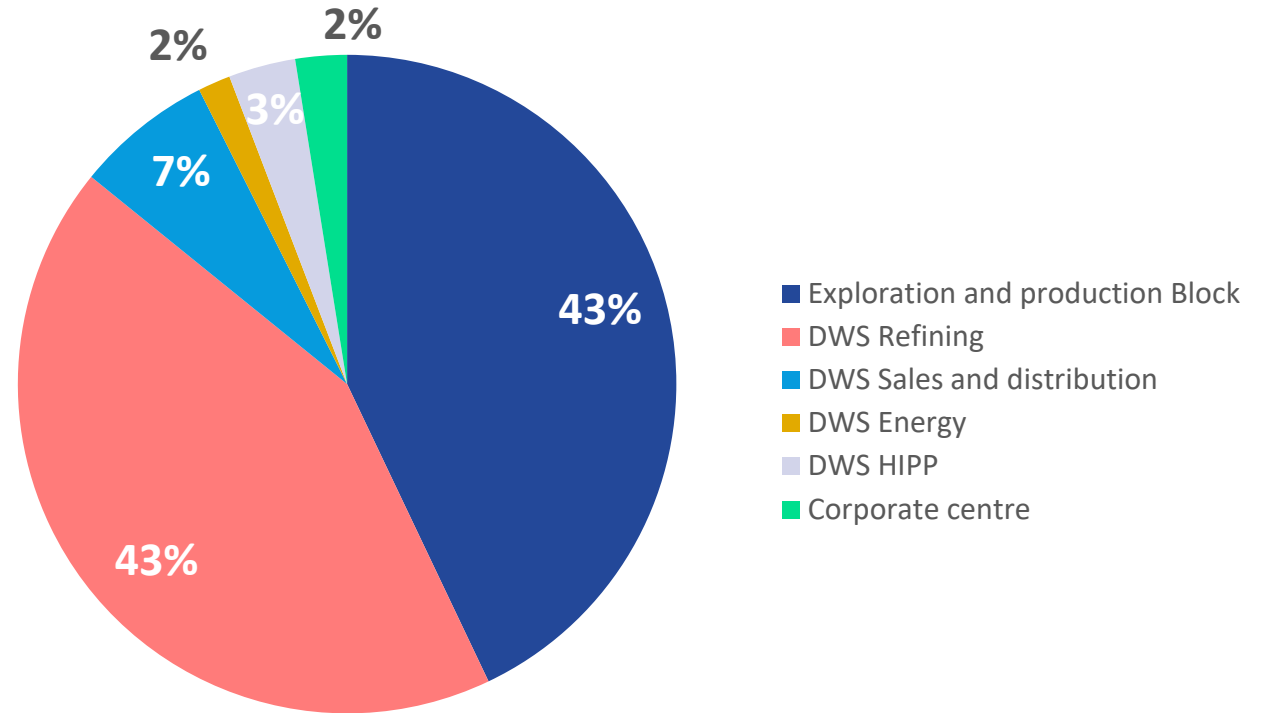
## CAPEX

CAPEX<sup>1</sup>,  
bln RSD

▲ +111%



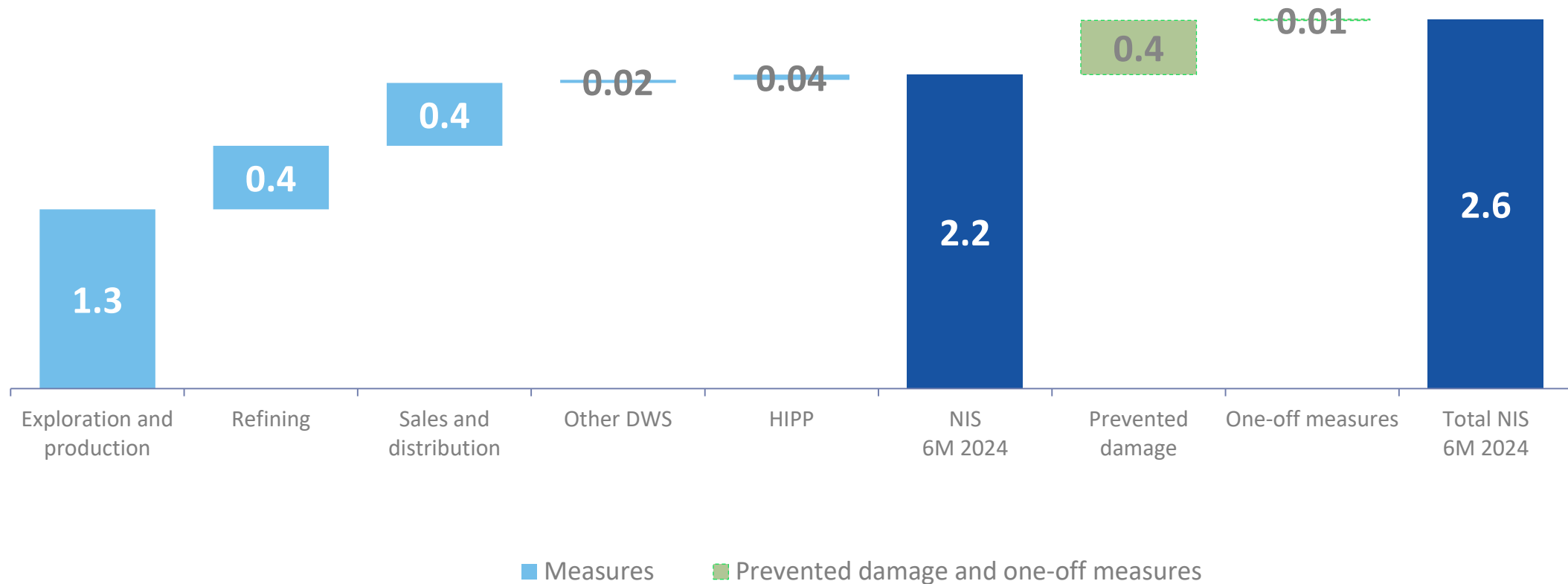
### CAPEX by segments



# Achievable potential level on EBITDA

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

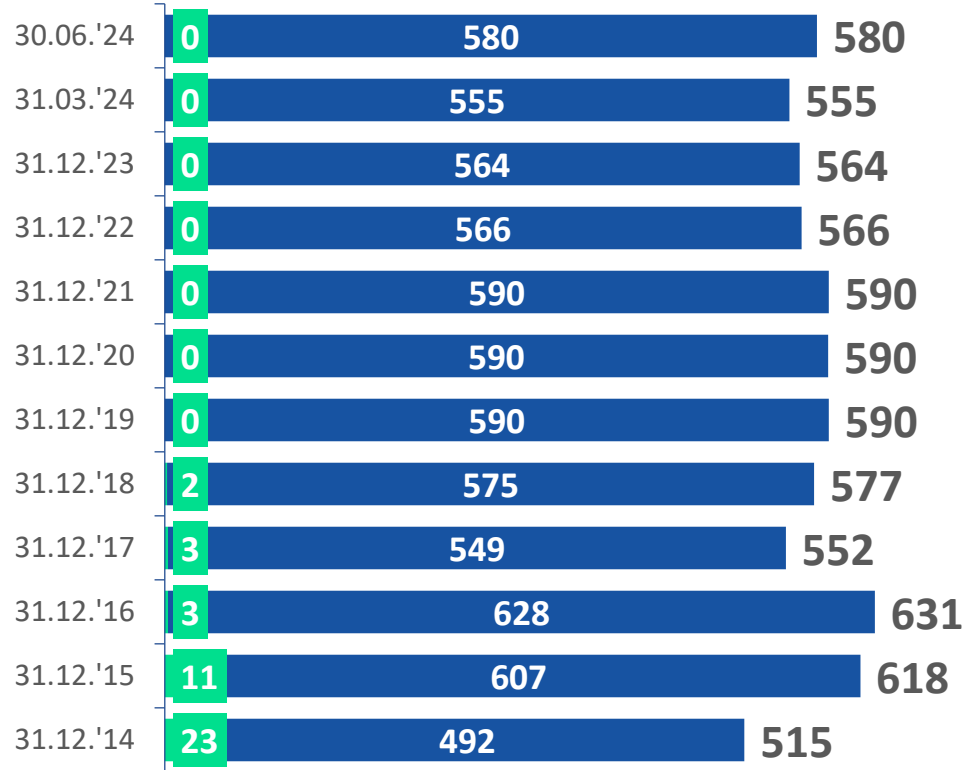
The total effect of reaching the target level of potential on the EBITDA indicator in the first six months of 2024 equals RSD **2.2** billion.



# Debt to banks

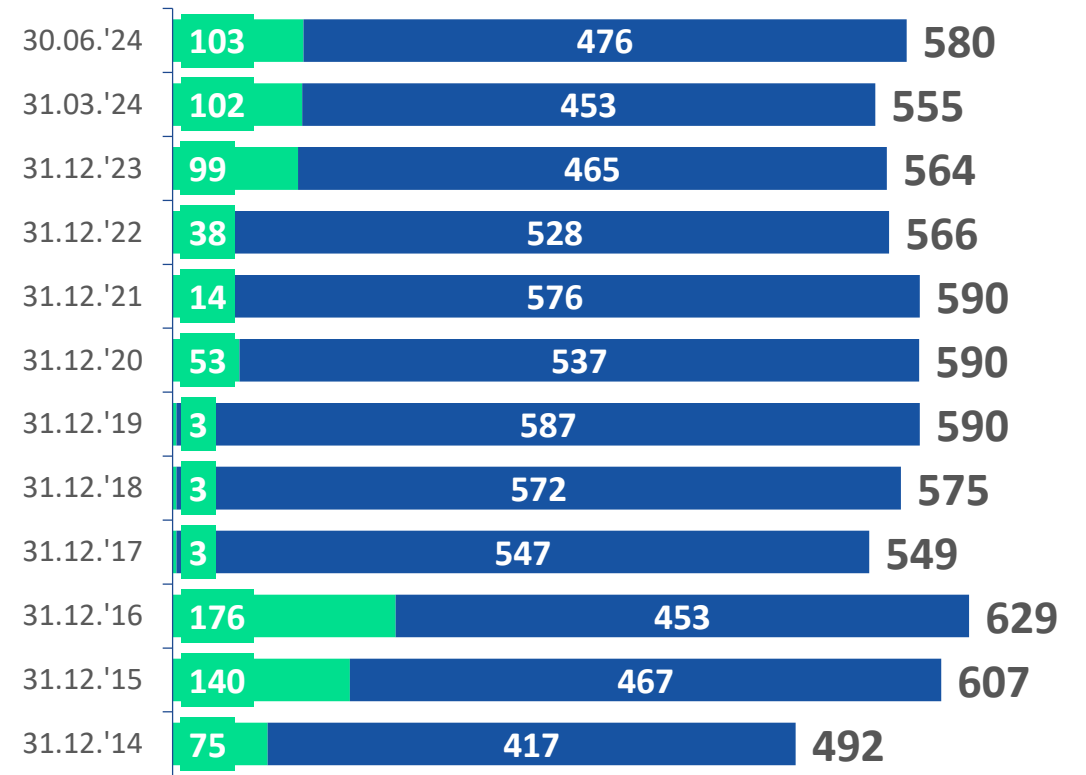
## Maturity and Currency Structure of Credit Portfolio

Bank indebtedness, mn EUR



■ Letter to credits ■ Debts to the banks

Debts to banks, mn EUR



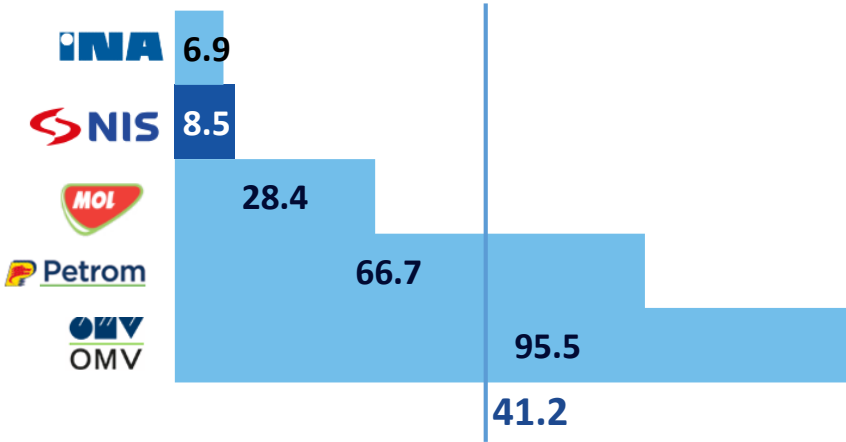
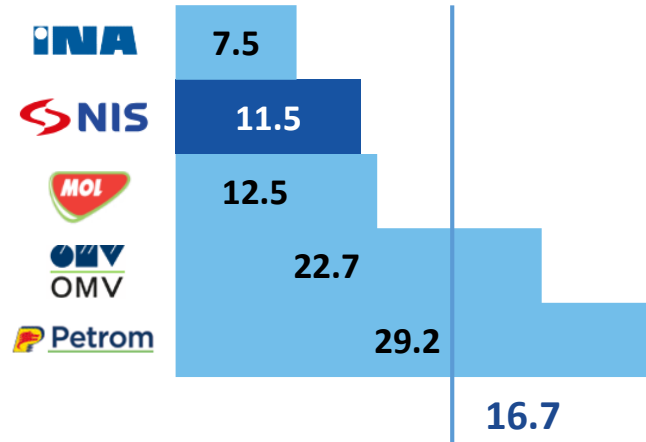
■ up to 1 year ■ over 1 year

### Debt structure:

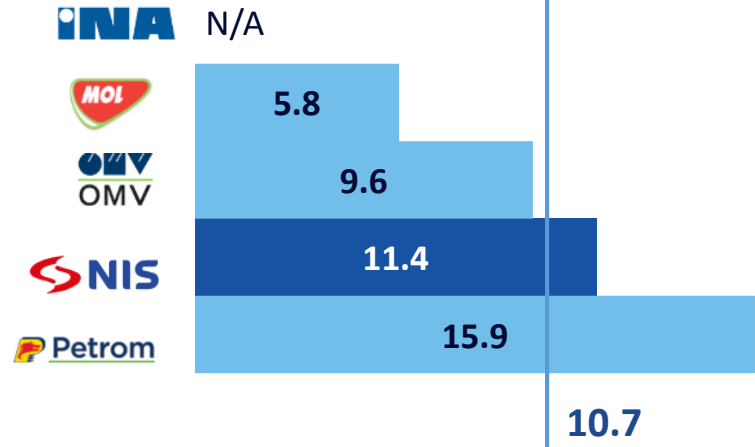
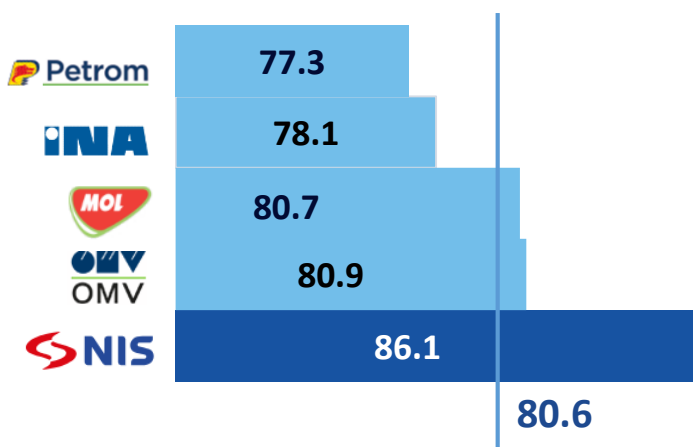
USD 0.0% ▼ EUR 100.0% ▲ Other 0.0% ▼

# Benchmarking

## EBITDA margin (%)      EBITDA/FTE (thou. USD)      Daily volume(t/day)



## Share of light products (%)      UPS OPEX (\$/boe)





# XVI regular meeting of the Shareholders' Assembly

**The XVI regular meeting of the Shareholders' Assembly took place on June 27, 2024.**

- ❖ The assembly approved the decision on payment of dividends:
  - Total amount:  
RSD 10,478,261,304, which is **RSD 64.26** per share (gross)
  - Dividend day: **June 17, 2024**
  
- ❖ The assembly approved the Annual report and Financial statements for 2023 with an Audit report

# Conclusion



▼ Complex macroeconomic conditions

- ▲ Preserved stability on the domestic market of oil derivatives
- ▲ Successful implementation of the capital overhaul of the Pančevo Oil Refinery

**THANK YOU**

