



2024

**NIS GROUP'S
PERFORMANCE
PRESENTATION FOR THIRD
QUARTER AND FIRST 9
MONTHS OF 2024**

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Function for finance, economics,
planning and accounting

October 28, 2024

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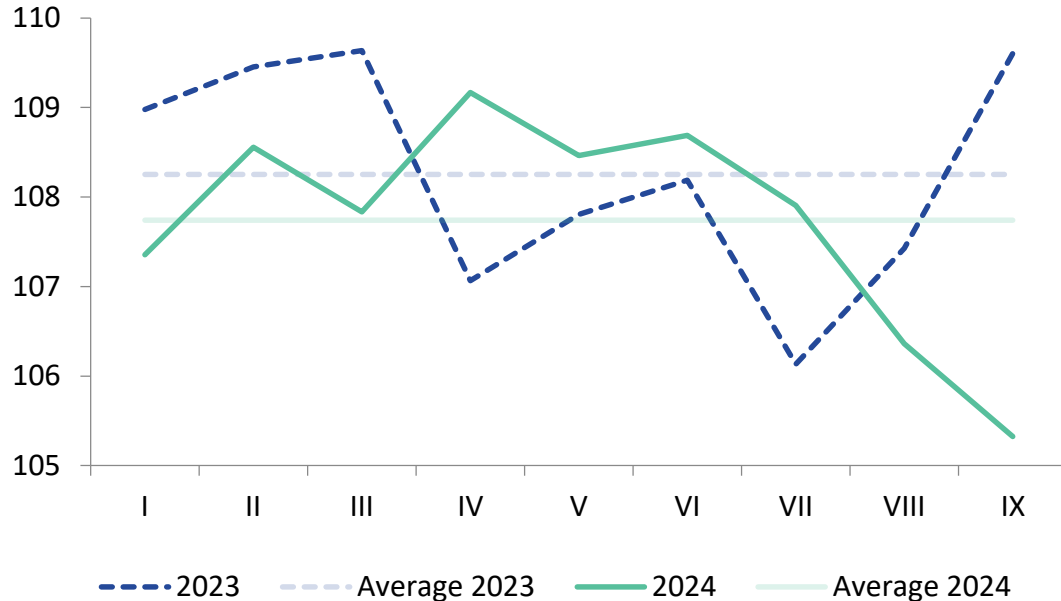
Macroeconomic Indicators

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



USD/RSD rate

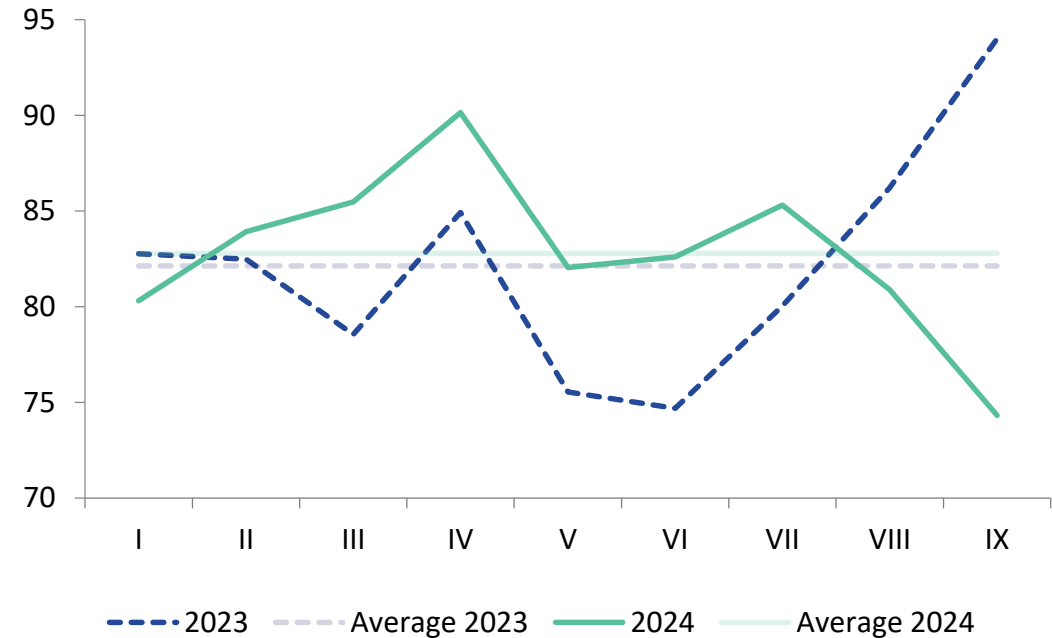
▼ -0.5%



The average USD/RSD exchange rate in the first nine months of 2024 was slightly lower by 0.5% compared to the same period last year.

Brent oil price, \$/bbl

▲ +0.8%



The average price of Brent oil in the first nine months of 2024 is 82.8\$/bbl, which is a slight increase of 0.8% compared to the same period in 2023.



Block Exploration and production

NIS in Q3 2024

NUMBER OF WELLS:

Q3 2024

Drilled:

13 development wells and **2** exploratory wells in Serbia.

Put into operation:

14 development wells in Serbia.

MODERNIZATION:

On the Kikinda field, another robotic drilling rig “Pupin” was put into operation

Total volume of oil and gas production in the third quarter amounts to **281.6** thousands t.o.e including concessions

FINANCIAL INDICATORS:

Q3 2024

CAPEX¹: **6.1** bln RSD

EBITDA²: **9.4** bln RSD

The main goal in the third 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 Q3 2024

Q3 2024

- The continuous operation of the Pančevo Oil Refinery, after which it fully meets the needs of the market for petroleum products

VOLUME OF OIL REFINING AND SEMI-PRODUCTS

The total volume of oil refining and semi-products in the third quarter is **1,136¹** thousand tons.

FINANCIAL INDICATORS:

Q3 2024

CAPEX²: **4.4** bln RSD

EBITDA³: **-3.4** bln RSD

The focus of the Refining Block in the first nine months 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.

¹The presented refining volume includes the refining volume of HIP-Petrohemija

²Financing. CAPEX for 9M 2024 is RSD 14.9 billion

³EBITDA for 9M 2024 is RSD -0.5 billion



Downstream – Sales and distribution

NIS in Q3 2024

Q3 2024

- Commencement of operation of PS Prijepolje and PS Žitište after the completion of the total reconstruction and commencement of reconstruction of PS Vrbas 1 and Ada.
- A continuous supply of all types of petroleum products was ensured on the market of the Republic of Serbia.

Q3 2024

- The share of NIS in the Serbian retail market: in the first nine months of 2024, the share of NIS is **48%**
- Retail volume in Serbia amounts to **245** thousand tons.

FINANCIAL INDICATORS:

Q3 2024

CAPEX¹: **1.1** bln RSD

EBITDA²: **7.0** bln RSD

Development Projects Completion in Serbia in 2024



- Projects under way
- Completed projects

Purchase/Rent and Rebrand



Total

1



Reconstruction



Total

9



Renovation project*



Total

11





Downstream - Energy

NIS in Q3 2024

Construction of PVPPs¹:

- Photovoltaic power plants (PVPP) at the Petroleum Products Warehouse in Novi Sad, on rooftop with a power of 585 kWp and on rooftop of the office building² with a power of 99.9 kWp were commissioned in the mode of power supply to internal consumers;
- PVPP in the “Jazak” Drinking water factory complex (620 kWp) – commissioned on 25 September;
- Implementation of PVPP construction projects in progress:
 - at the Petroleum Products Warehouse in Novi Sad, on the ground with a power of 6.59 MWp
 - Rooftop solar photovoltaic power plant at the Pančevo Oil Refinery with a capacity of 600 kWp

Q3 2024

- The total volume of solar power³ generated in the third quarter is **30.6 GWh**

FINANCIAL INDICATORS:

Q3 2024

CAPEX⁴: 238.3 mln RSD

EBITDA⁵: 73.6 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.

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 9M 2024 is 88.4 thousand MWh. The total volume of photovoltaic power plants produced electricity in Q3 2024 is 1,203.2 MWh, and for 9M 2024 is 1,824.2 MWh.

⁴Financing. CAPEX for 9M 2024 is RSD 627.74 million.

⁵ EBITDA for 9M 2024 is RSD 60 million.

Implementation of solar power projects in Serbia on PSs¹



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 Q3 2024

Q3 2024

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

Q3 2024

- Polypropylene project status: The pre-FEED contractor completed a pre-FEED study in September with the provision of engineering and financial materials

FINANCIAL INDICATORS:

Q3 2024

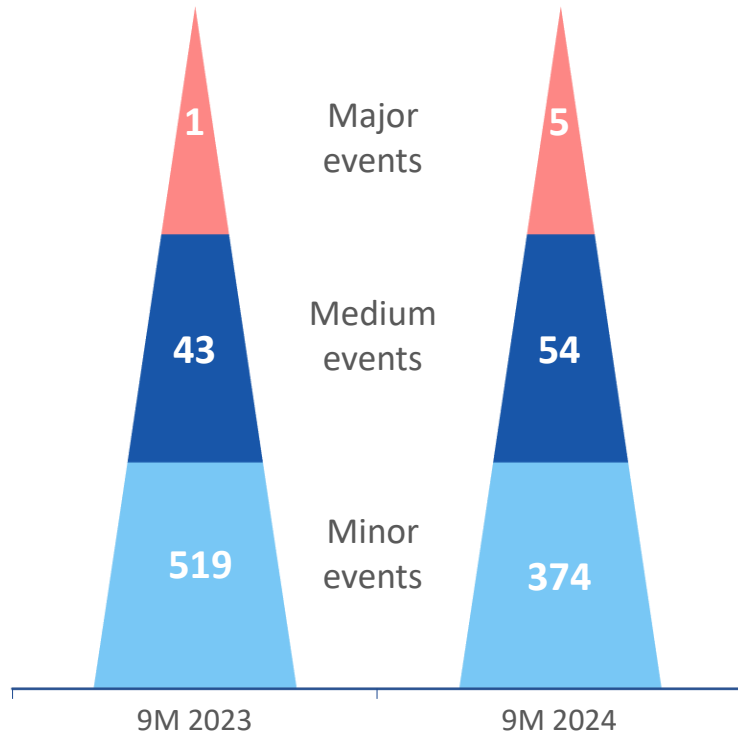
CAPEX¹: 0.6 bln RSD

EBITDA²: -1.7 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.

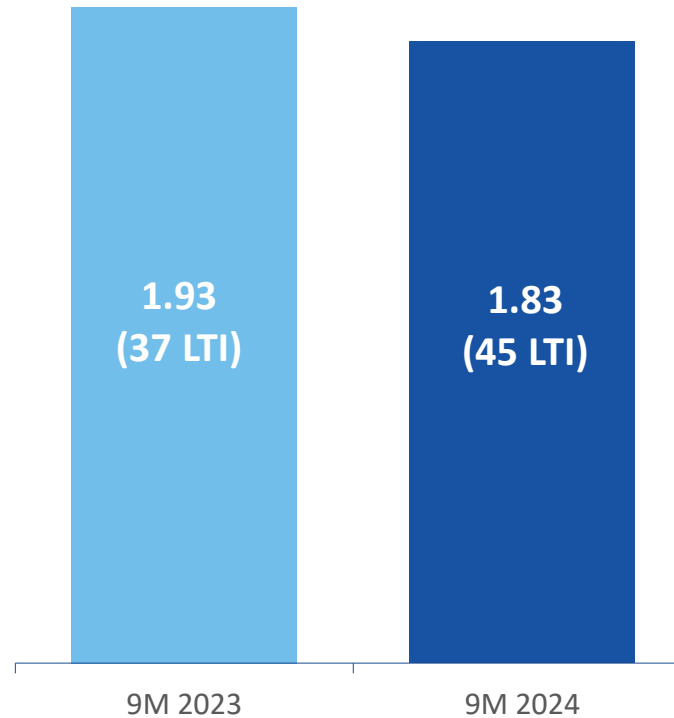
HSE indicators¹

Number of events in NIS



LTIF²

▼ -5%



RAR³

▼ -23%



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

Q3 2024	Q3 2023	Δ (%)	Key indicators	Unit of measures	9M 2024	9M 2023	Δ (%)
80.2	86.8	▼ -8%	Brent Dtd	\$/bbl	82.8	82.1	▲ +1%
106.2	117.2	▼ -9%	Sales revenues	bn RSD	304.6	304.1	▲ +0,2%
11.7	28.1	▼ -58%	EBITDA	bn RSD	34.5	56.5	▼ -39%
2.7	18.0	▼ -85%	Net profit	bn RSD	8.0	31.8	▼ -75%
30.1	26.4	▲ +14%	OCF	bn RSD	40.0	21.6	▲ +85%
73.8	74.7	▼ -1%	Accrued liabilities based on public revenues	bn RSD	191.9	181.7	▲ +6%
281.6	297.6	▼ -5%	Oil and gas output	thou. TOE	856.7	868.1	▼ -1%
1,136.1	1,063.1	▲ +7%	Crude oil and semi-finished products output ¹	thou. tonnes	2,539.4	3,039.2	▼ -16%
1,042.5	1,087.1	▼ -4%	Total petroleum products sales volume ²	thou. tonnes	2,693.3	2,956.5	▼ -9%
12.9	10.4	▲ +24%	CAPEX	bn RSD	37.3	21.9	▲ +70%
585.3	548.1	▲ +7%	Total debt to banks (total debt to banks + letters of credits)	mn EUR	585.3	548.1	▲ +7%

¹Refining volume calculations for 9M 2023 are methodologically different than in 9M 2024 due to the consolidation of HIPP in the second half of 2023.

²Sales volume calculations for 9M 2023 are methodologically different than in for 9M 2024 due to the consolidation of HIPP in the second half of 2023. Comparative data for 2023 in this presentation is different than the data presented in the Quarterly presentation for Q3 2023 due to the consolidation of HIP-Petrohemija in the second half of 2023 (data from the Quarterly presentation for Q3 2023 are shown without consolidation of HIP-Petrohemija)..

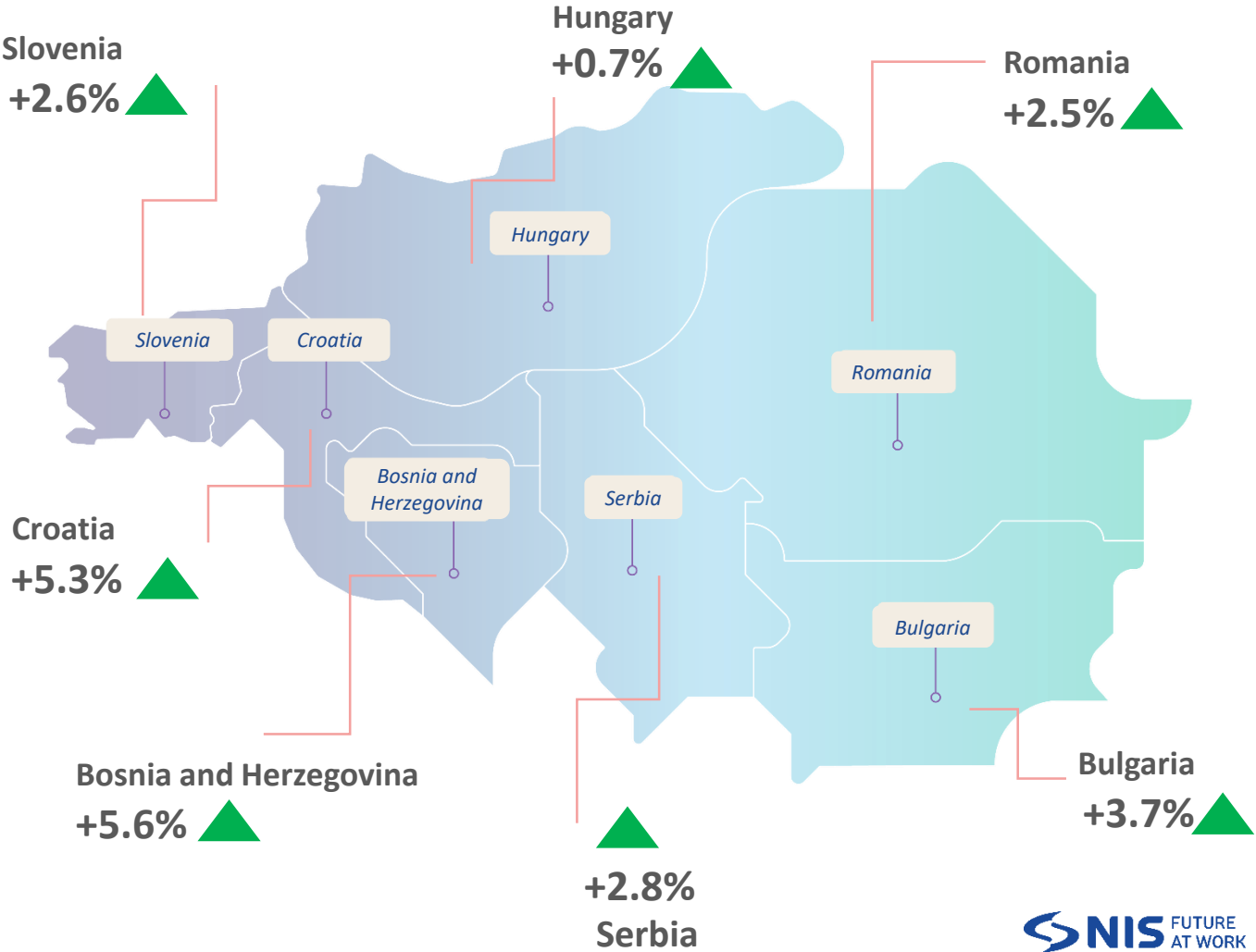
HIP-Petrohemije: Key Operating and Financial indicators

Key indicators	Unit of measures	Q3 2024	9M 2024
Production of petrochemical products	thousand tons	97.2	208.7
Refining of primary gasoline	thousand tons	126.1	280.1
Petrochemical product sales	thousand tons	91.0	204.9
EBITDA	RSD billion	-1.7	-4.9
Net loss	RSD billion	-1.9	-5.1
CAPEX ¹	RSD billion	0.6	1.2

¹Financing. CAPEX amounts are excluding VAT.

Motor Fuel Market Trends 9M 2024/9M 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.

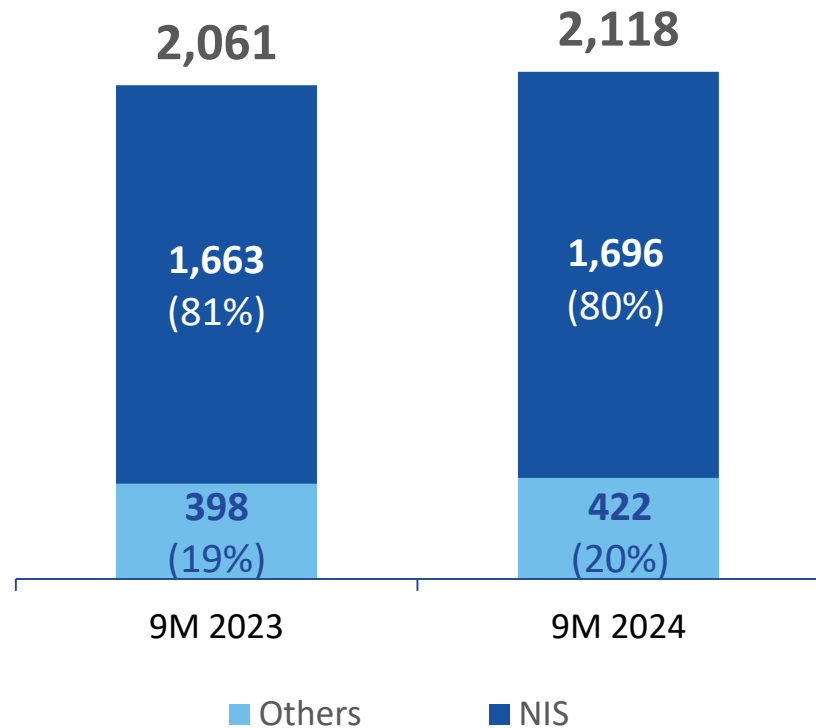


Market Share - Serbia:

Motor fuels market

Motor fuels market volume,
thousand tonnes¹

▲ +2.8%



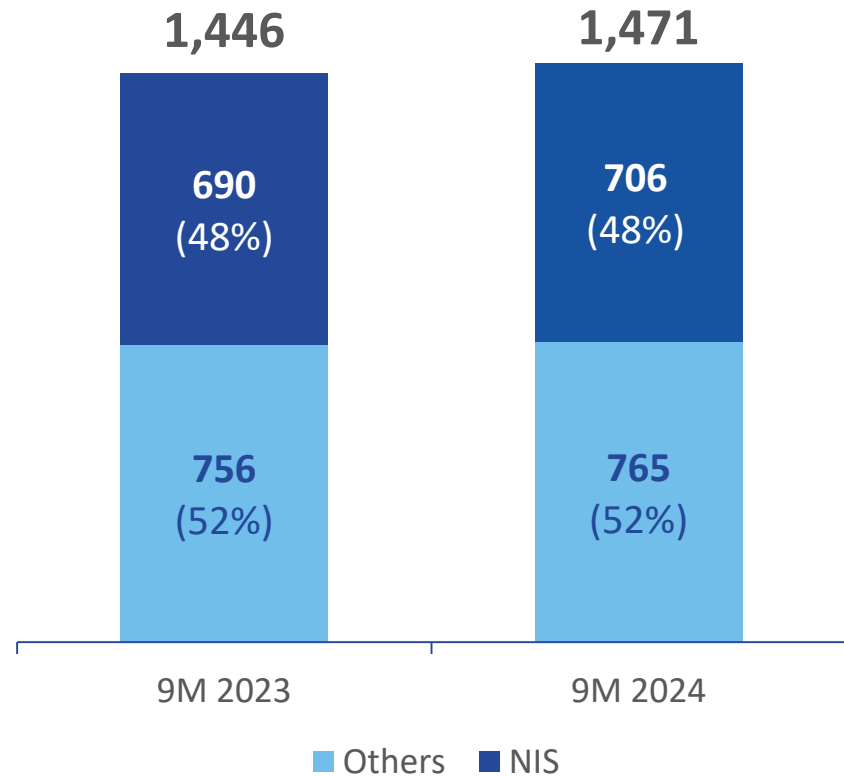
- In the period from January to September 2024, the consumption of petroleum products in Serbia was characterized by an increase of 2.8% regarding the consumption of motor fuels compared to the same period last year.
- Intensive infrastructure works, growth in transport and consumption in mining influenced the said growth, especially in the first part of the year. The agricultural season has altered seasonality due to meteorological conditions, long-term droughts and earlier sowing of almost all agricultural crops.

Market Share - Serbia:

Motor fuel retail market

Retail market,
thousand tonnes¹

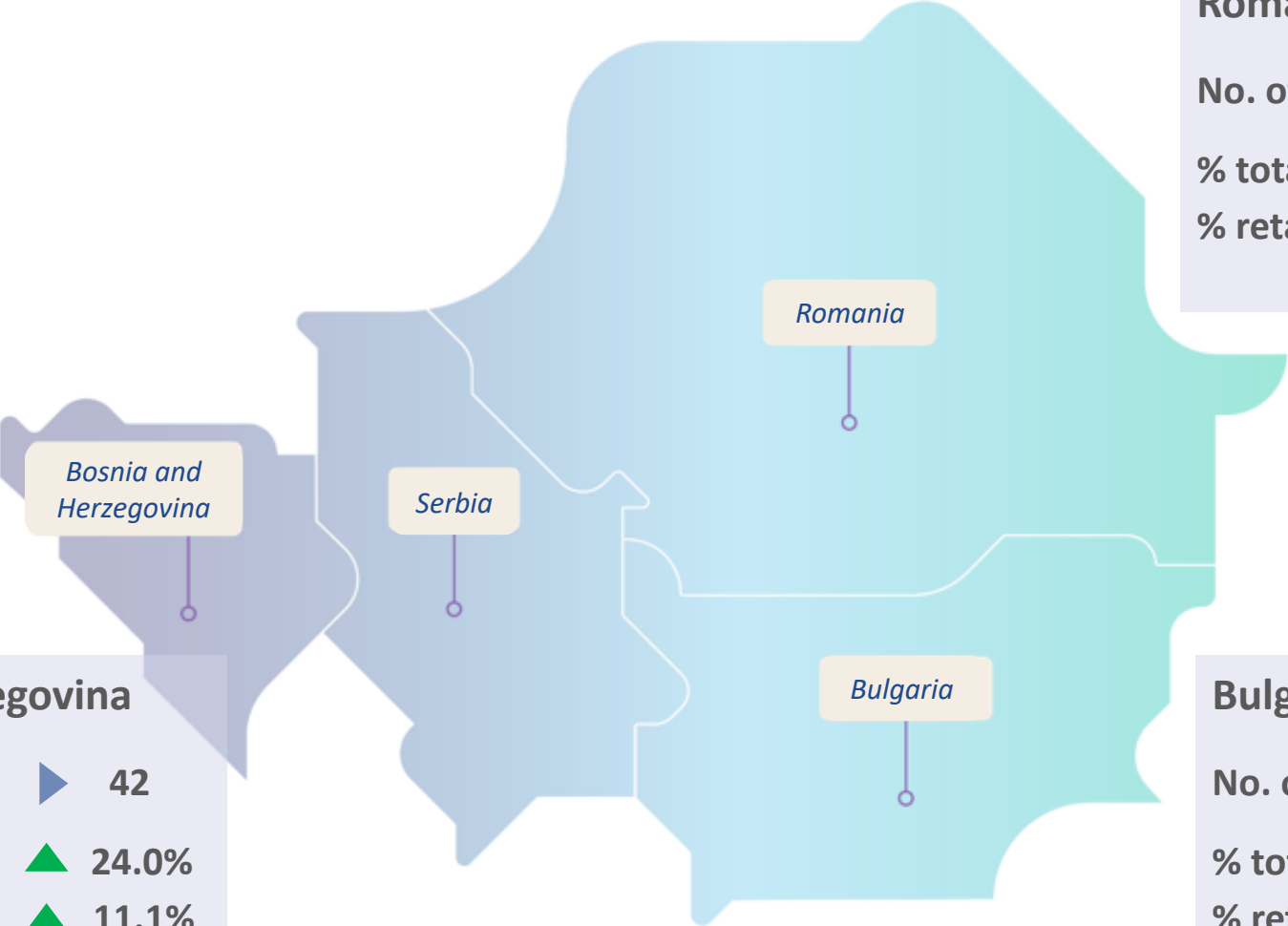
▲ +1.7%



- In the first nine months of 2024, the consumption has grown by 1.7% compared to 2023. The participation of NIS is significant. The preferential price stipulated by the Regulation, for supplying the farmers, is in force. This year, transit seasonal traffic had a lower impact on the retail placement of petroleum products on the Serbian market due to significantly higher prices compared to neighboring markets (traditionally Macedonia and B&H, but also Hungary and Croatia during this year).
- In 2024, the NIS Company successfully completed the planned overhaul of the Pančevo Oil Refinery. During the overhaul, NIS ensured the security of the 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 September 30, 2024 **325**

Market share – region 9M 2024/9M 2023



Bosnia and Herzegovina

No. of PS': ▶ 42
% total market: ▲ 24.0%
% retail market: ▲ 11.1%

Romania

No. of PS': ▶ 19
% total market: ▼ 0.4%
% retail market: ▶ 0.7%

Bulgaria

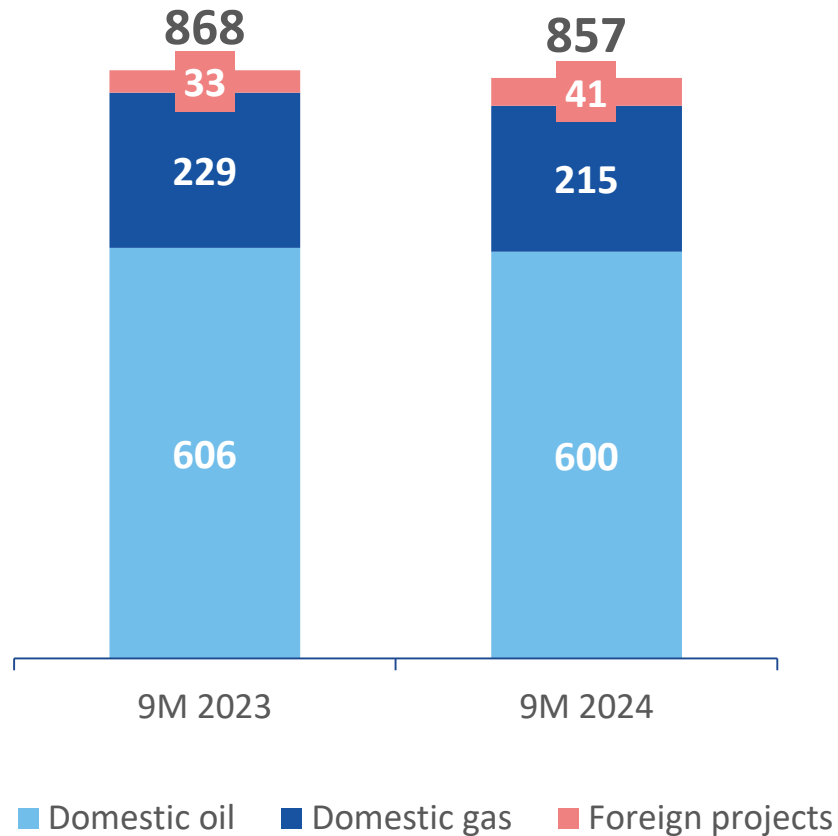
No. of PS': ▶ 23
% total market: ▼ 2.0%
% retail market: ▼ 2.2%

Operating Indicators

Exploration and production

Oil and gas output,
thou. TOE

▼ -1%



- Planned volume of hydrocarbon production achieved.

- Two robotic drilling rigs “Tesla” and “Pupin” were put into operation:

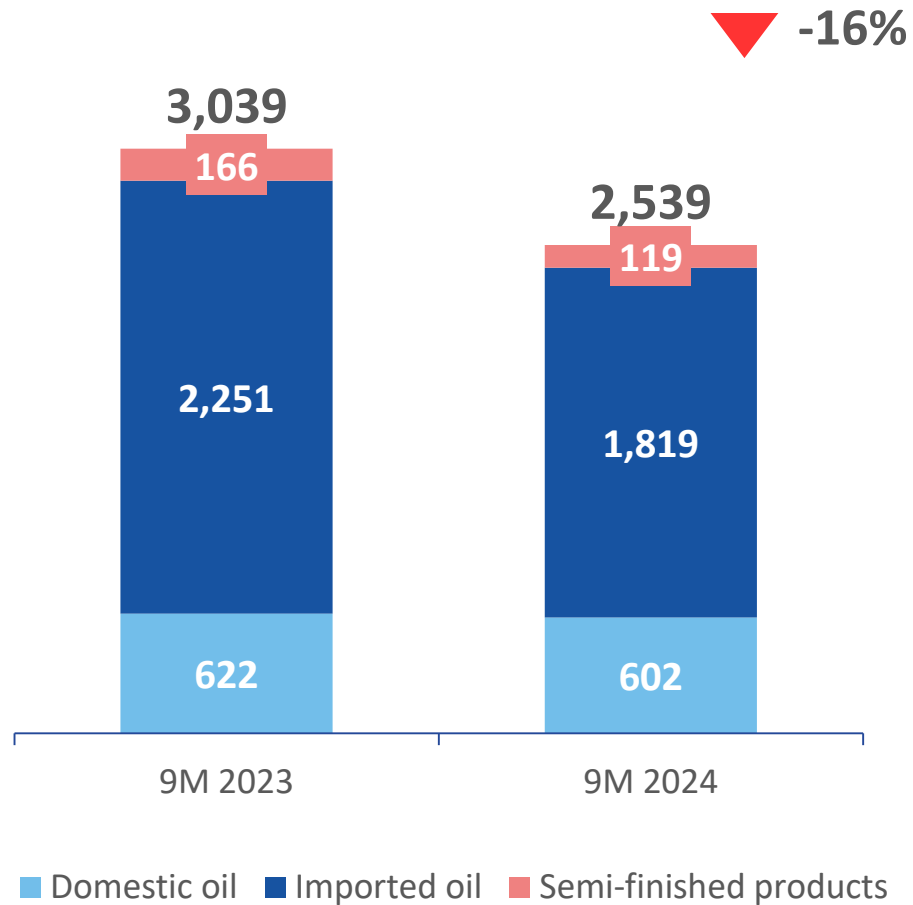


- Increasing work efficiency and cost optimization
- Safety and security
- Environmental benefits: the amount of exhaust emissions has been reduced and the noise level is significantly lower
- Savings in the well development time
- Occupying a smaller area of land
- The possibility of error is reduced to a minimum

Operating Indicators

Downstream Refining

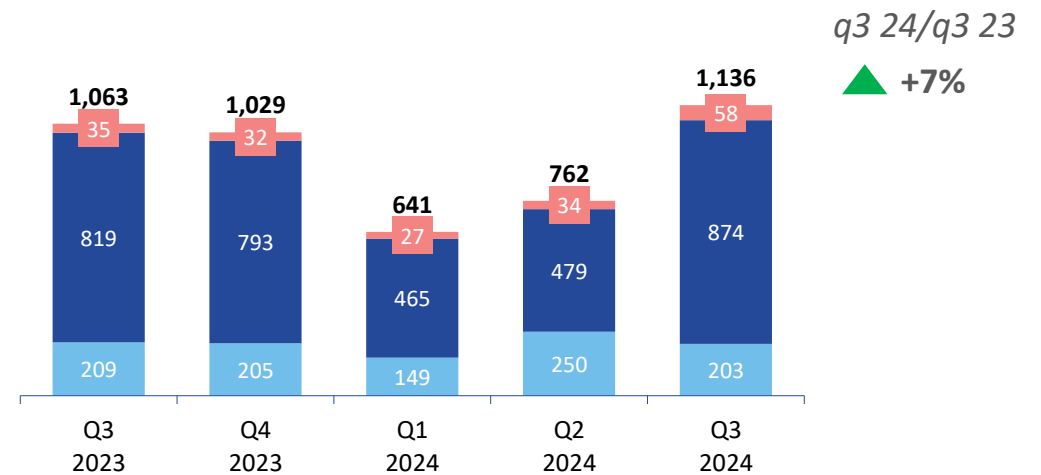
Refining of oil and semi-finished products¹,
thousand tonnes



The volume of refining has been reduced by 16% compared to 9M 2023.

Decrease in the volume of refining is the consequence of:

- Capital overhaul.

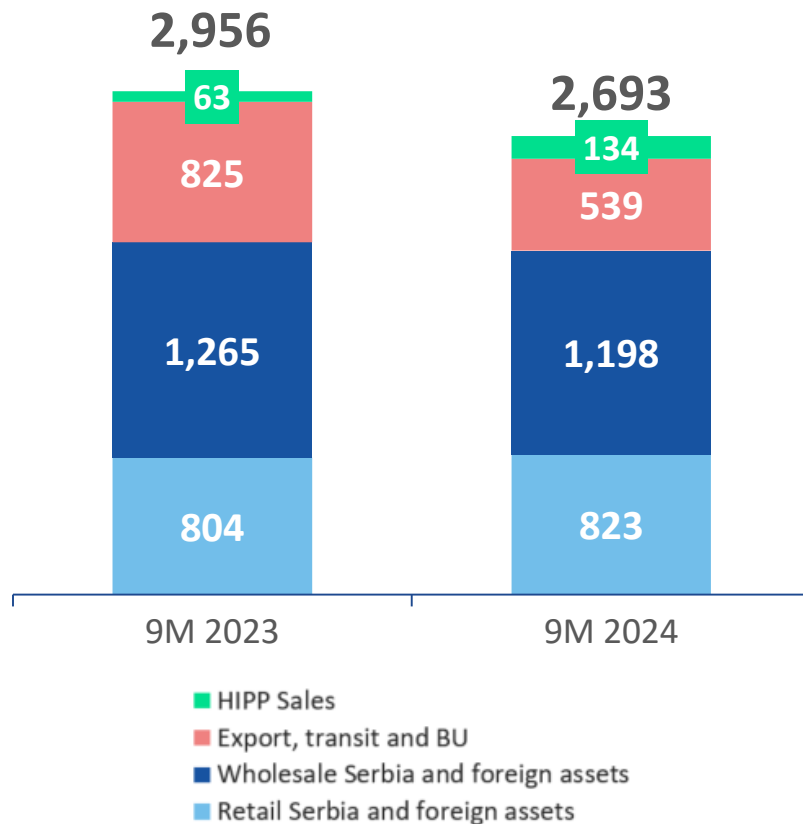


Operating Indicators

Downstream Sales and distribution

Sales volume¹,
thousand tonnes

▼ -9%



- **Retail in Serbia and Foreign Assets – a 2% increase:**

- the growth of retail sales in Serbia in terms of agro volume is conditioned by the increased demand of farmers in the first six months of 2024, as well as the growth of the volume of sales to individuals due to the activity of the management. In the third quarter, there was a decrease in demand from farmers due to a smaller crop;
- retail growth in foreign assets – the increased frequency of customers due to the good weather and management activities in Bosnia led to a higher volume of sales in the first three quarters compared to the same period of 2023. This fully compensated for the decrease in the volume of sales in Bulgaria, due to the reduced number of petrol stations compared to last year and the impact of the geopolitical situation in Romania

- **Wholesale in Serbia and Foreign Assets² – a 5% 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 BU³:**

- 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 (sales to HIP-Petrohemija and 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 9 months 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.

¹ Comparative data for 2023 in this presentation is different than the data presented in the Quarterly presentation for Q3 2023 due to the consolidation of HIP-Petrohemija in the second half of 2023 (data from the Quarterly presentation for Q3 2023 are shown without consolidation of HIP-Petrohemija).

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.

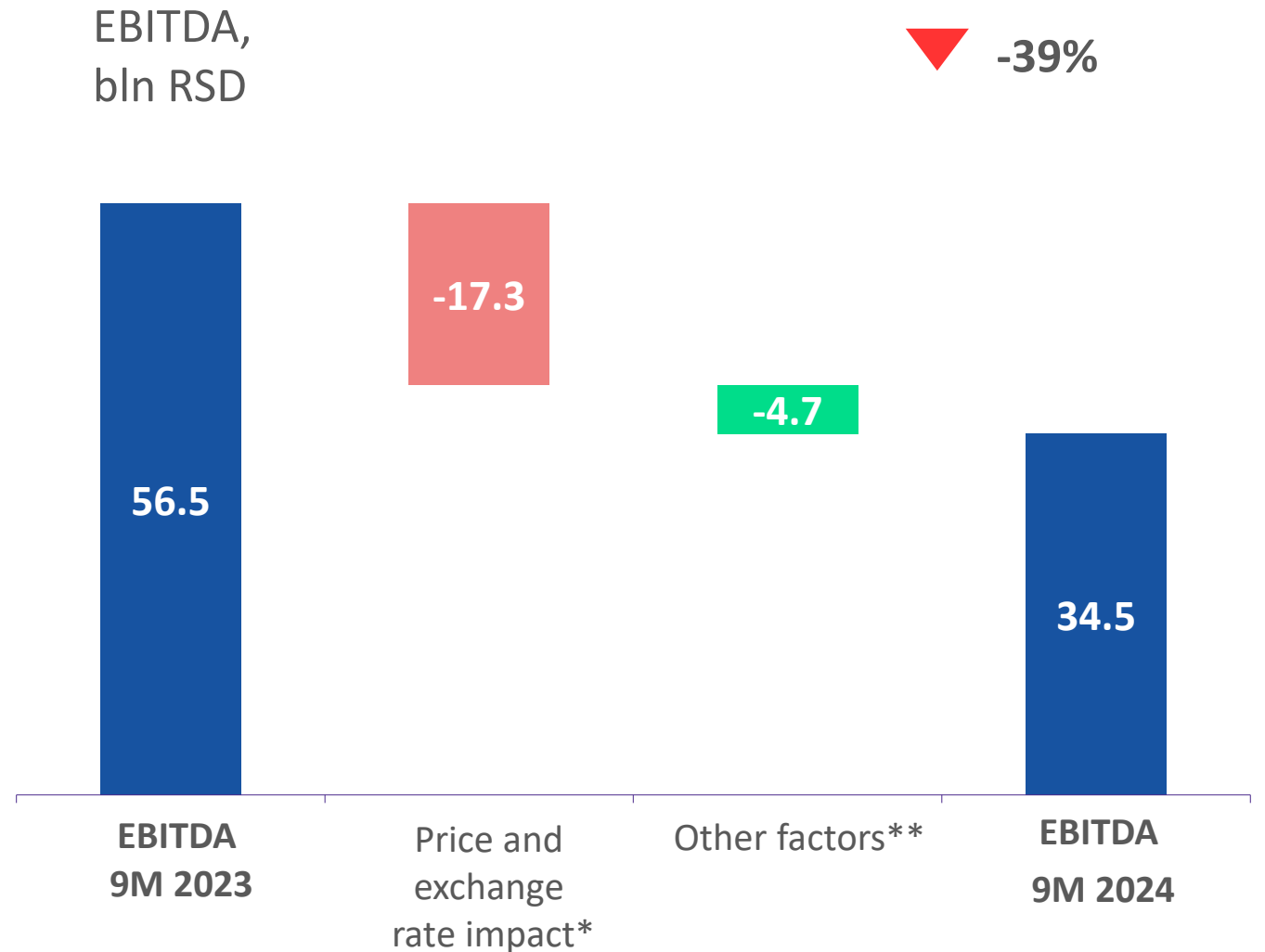
³ Business unit includes the sale in petroleum products of bitumen, bunker and jet fuels.

Financial indicators

EBITDA

Lower EBITDA compared to 9M 2023 is due to the following:

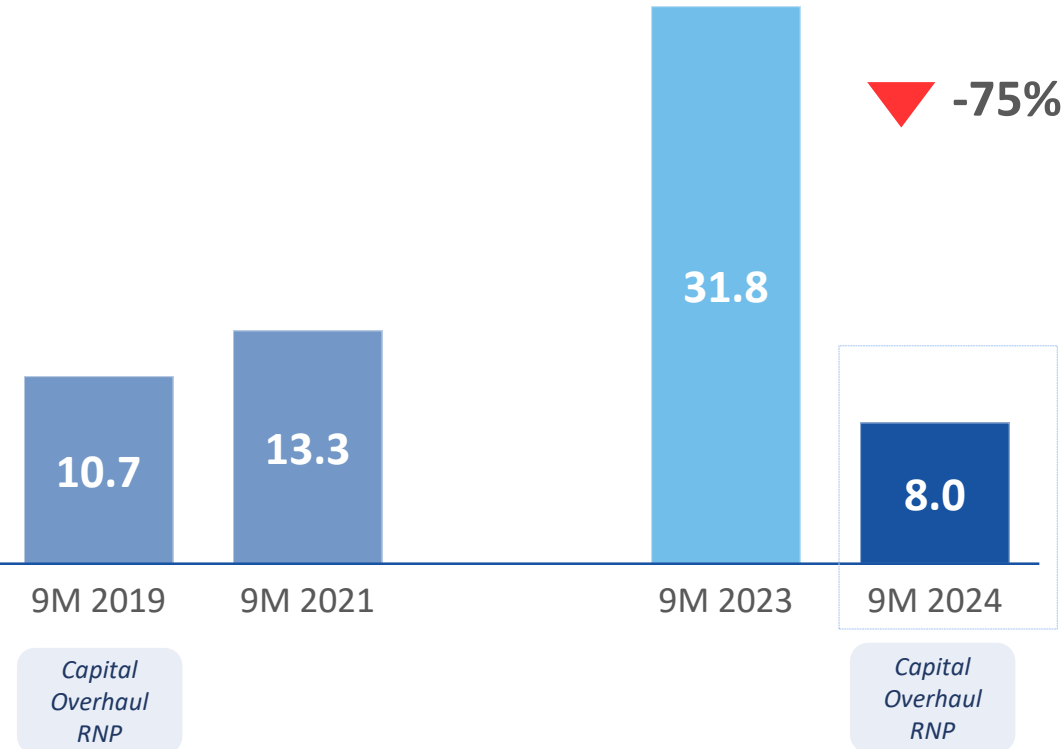
- The impact of lower prices for oil products on the global market;
- Impact of high-priced oil reserves;
- The negative impact of capital overhaul;
- Increase in costs compared to the same period last year;
- Negative HIP-Petrohemija result in 2024.



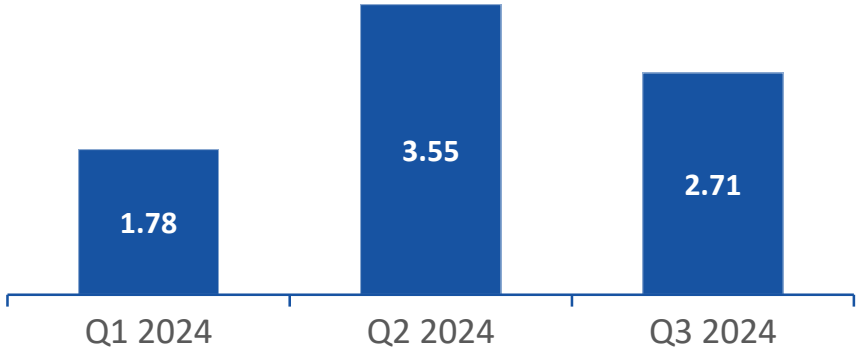
Financial indicators

Net profit

Net profit,
bln RSD



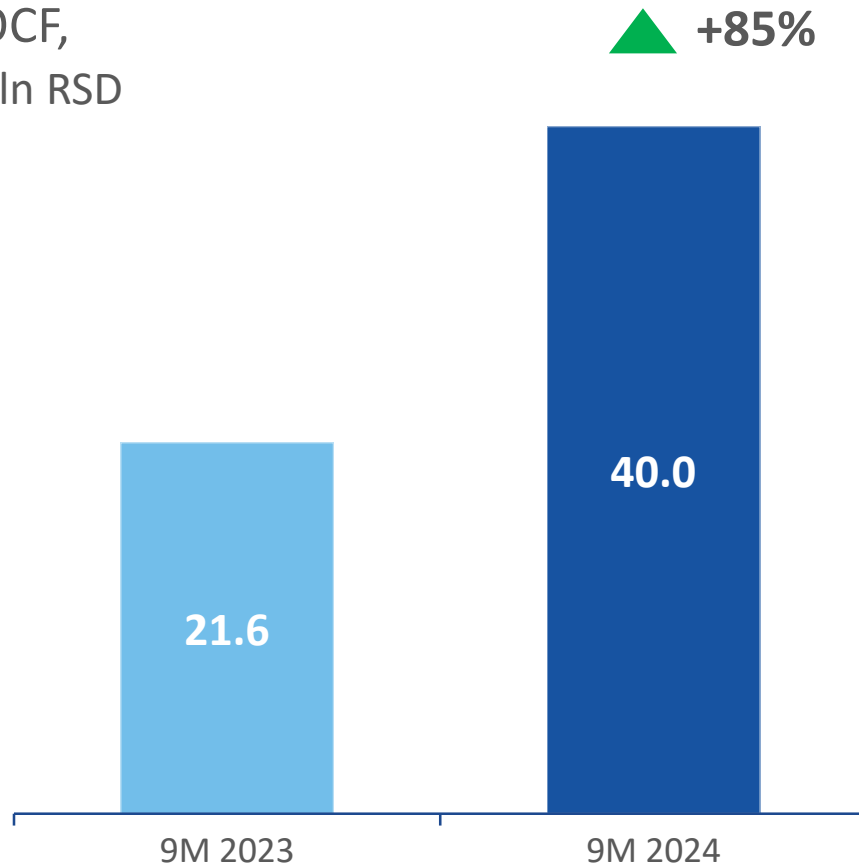
The lower net profit for the first nine months of 2024 compared to the same period last year is a consequence of lower EBITDA, an increase in depreciation costs and a decrease in financial profit from interest on deposits.



Financial indicators

OCF

OCF,
bln RSD

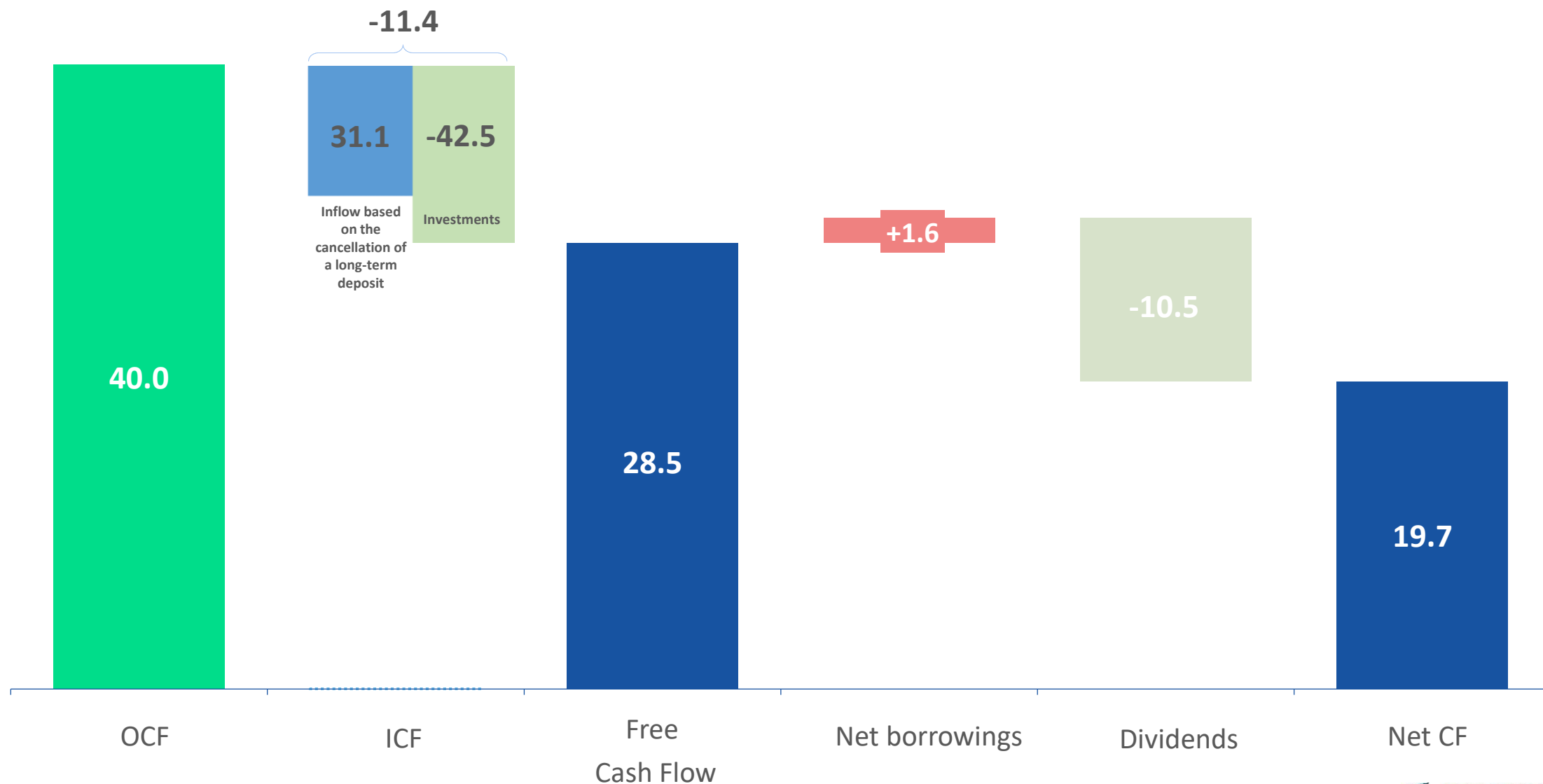


In the first nine months of 2024, the operating cash flow amounts to RSD 40 billion, and it is higher compared to the same period last year.

The increase of the OCF indicator was influenced by:

- Higher inflows
- Lower cash outflows from operating activities

Realization of CF in 9M 2024, in bln RSD

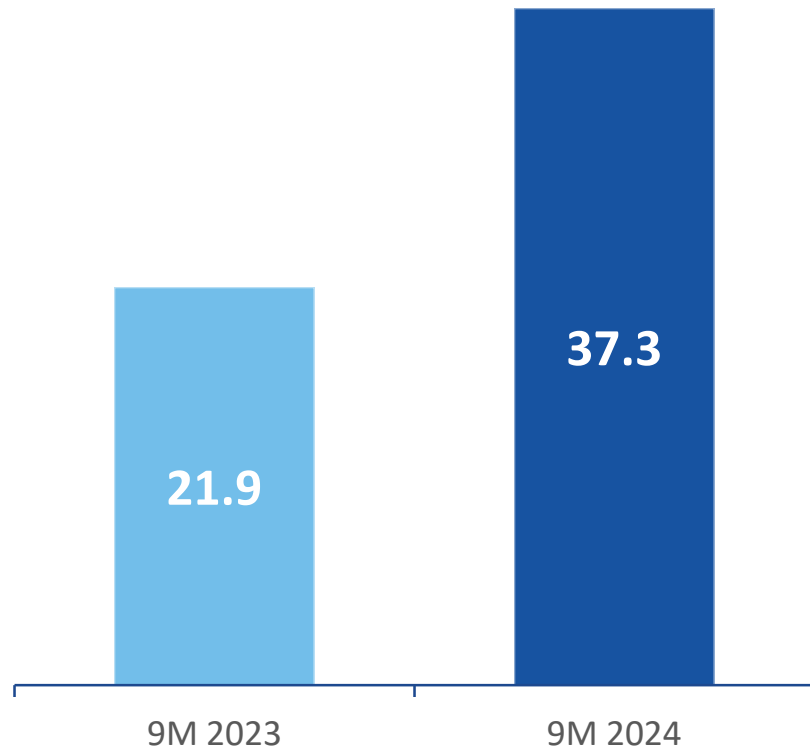


Financial indicators

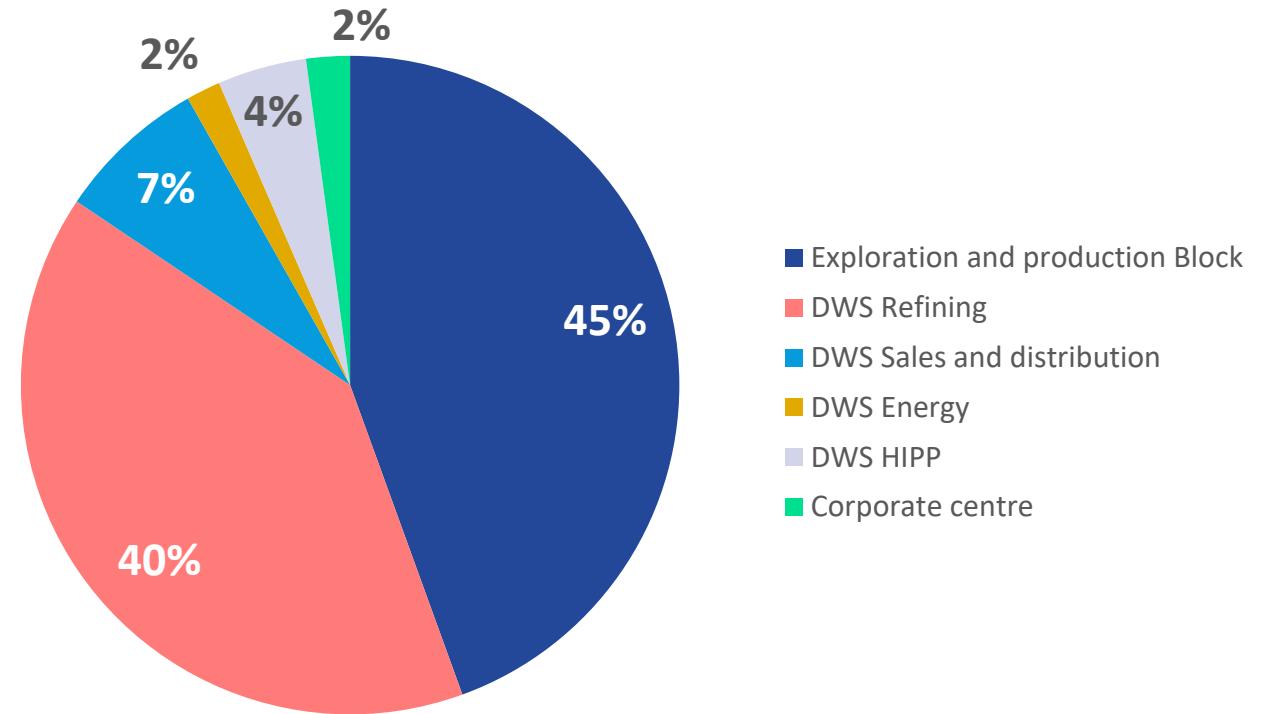
CAPEX

CAPEX¹,
bln RSD

▲ +70%



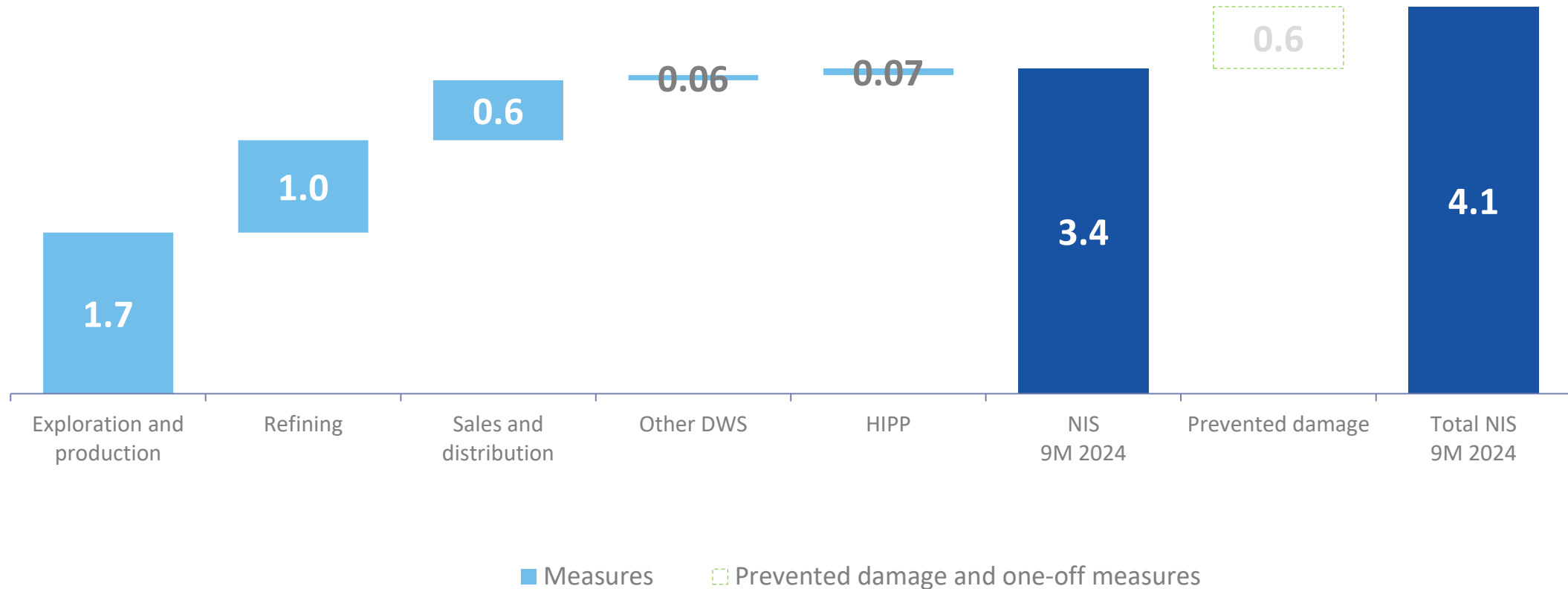
CAPEX by segments



Achievable potential level on EBITDA

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

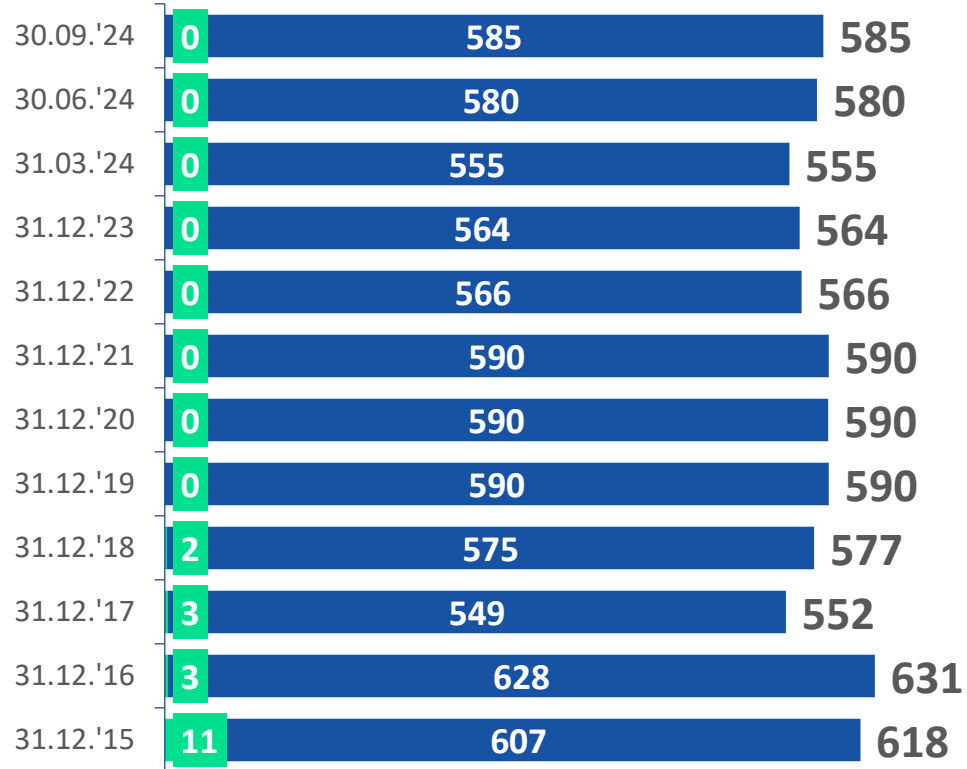
The total effect of reaching the target level of potential on the EBITDA indicator in the first nine months of 2024 equals RSD **3.4** billion.



Debt to banks

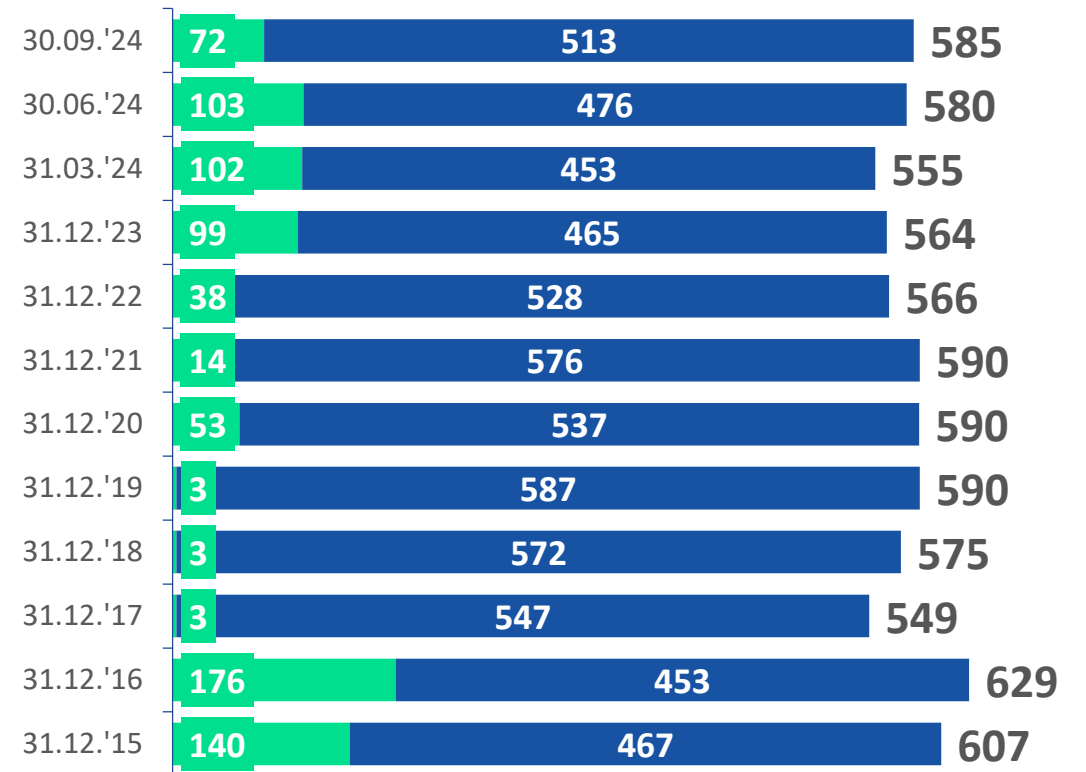
Maturity and Currency Structure of Credit Portfolio

Bank indebtedness, mn EUR



■ Letter to credits ■ Debts to the banks

Debts to banks, mn EUR



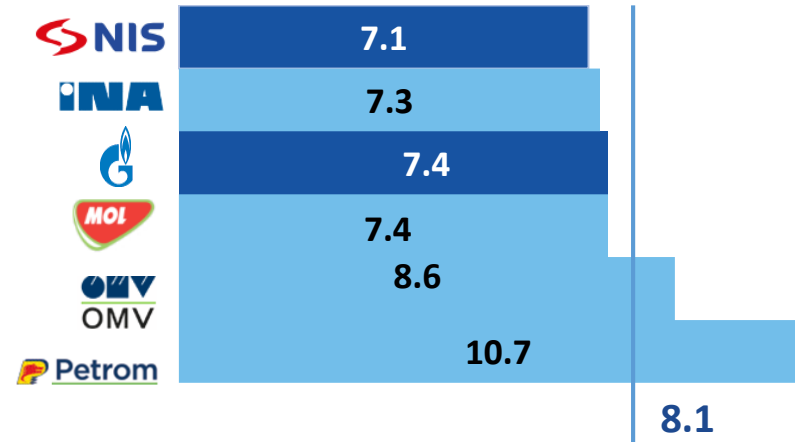
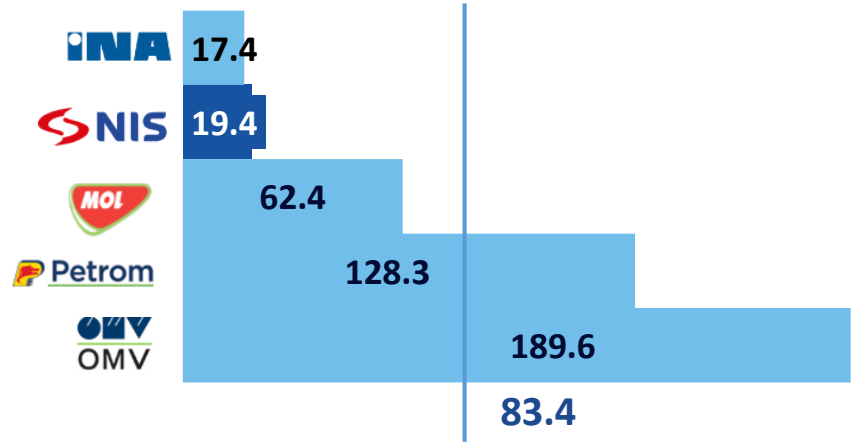
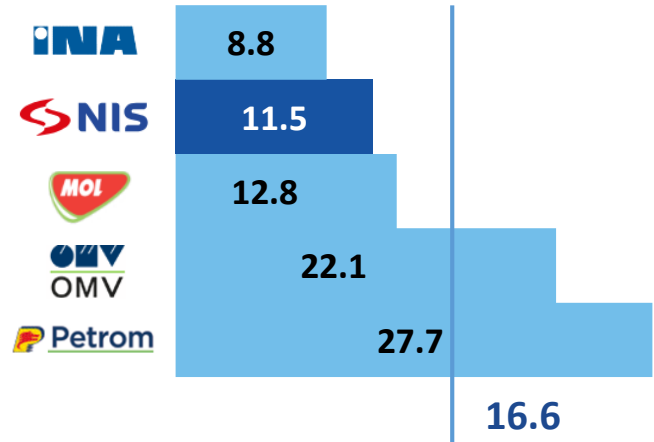
■ up to 1 year ■ over 1 year

Debt structure:

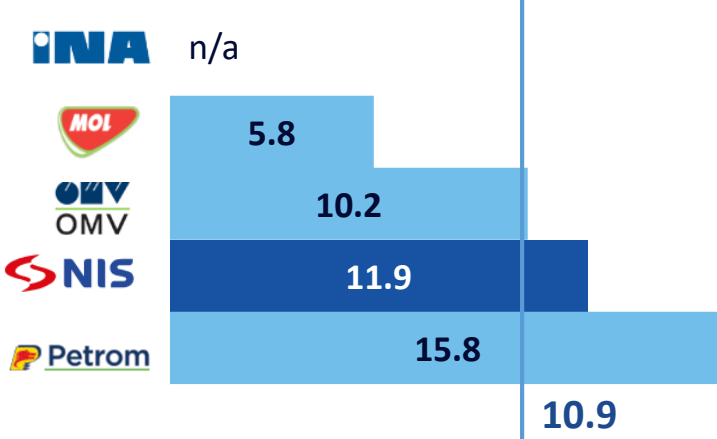
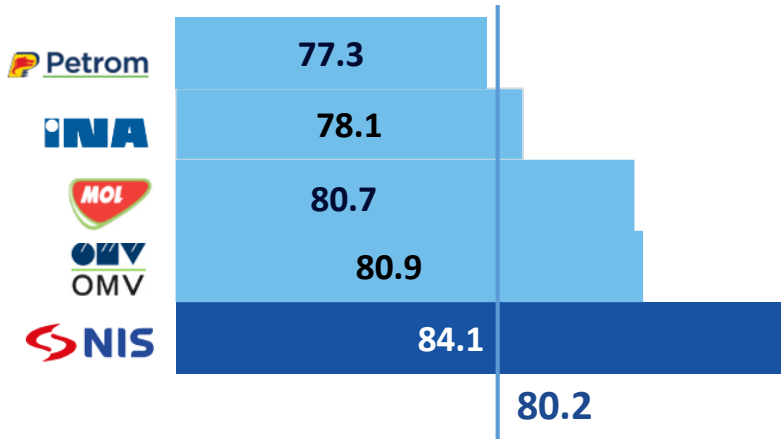
USD 0.0% ▼ EUR 100.0% ▲ Other 0.0% ▼

Benchmarking

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



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



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

