

MODRIČA MOTOR OIL PLANT A.D.

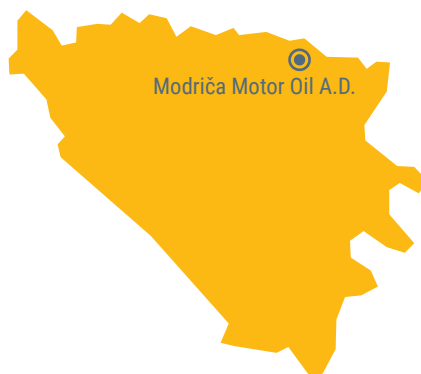
Modriča Motor Oil Plant A.D. has been operating in Bosnia and Herzegovina since 1957, and as part of Zarubezhneft Group – since 2007.

The oil refinery in the city of Modriča is the only refinery producing oils and lubricants in Bosnia and Herzegovina.

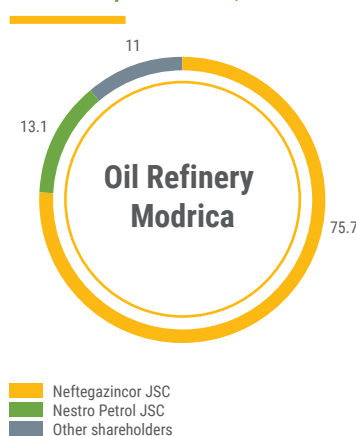
The production range includes 220 items. Currently the Company produces the following production:

- base oils, paraffins;
- lubricants and liquids for vehicles and machinery;
- lubricants and liquids for industrial units;
- motor oils for gasoline and diesel motors;
- industrial oils and liquids for metal treatment;
- greases.

The products of Modriča Motor Oil Plant A.D. are certified by primary motorcars and industrial vehicles manufacturers (Audi, Volkswagen, BMW, Daimler-Chrysler, Opel, Scania, Volvo, MAN, Caterpillar, Jonh Deere, etc.) and South-Korean companies Hyundai и KIA Motors actively operating on the European market, which significantly improves competitive ability of its production.



Ownership structure, %



OPERATIONAL INDICATORS

In 2019, the Company continued taking measures intended to improve reliability of equipment operation and performance

of production activity. A project has been developed to replace additives heating with electrical heating to improve energy efficiency. The project is planned for 2020.

FINANCIAL INDICATORS

Due to no refining of lube distillate, the oil refinery revenue goes down. The reduction of personnel expenditures resulted in total decline of operating expenses.

Investment focus in 2019 was on maintaining equipment availability and procurement of the minimally required equipment.

The 2019 investment program included the following actions:

- worn-out equipment was regularly replaced at production facilities;
- design documentation was prepared for installation of electrical heating for additives, which will be realized and commissioned in 2020 as a part of energy saving measures.

Company investments are fully funded by means of own assets of the Company.

The production volume of motor oils and lubricants was 11.3 thous. tons in 2019.