

NIS GROUP STEPS UP PERFORMANCE IN 2021

NIS net profit reached 21 billion and investments 20.2 billion dinars

- EBITDA was 53.2 billion dinars
- 217.8 billion dinars paid to the state budget in taxes and fees
- 315 million in social responsibility projects and sports

In 2021, the NIS group has considerably picked up its performance. The improvement was driven by strict financial discipline, focus on priority investments, and the recovery of the market. Average Brent oil price in 2021 grew by 70% reaching 70.7 dollars per barrel.

The company made 21 billion dinars in net profit – a dramatic improvement from the 7.6 billion loss in 2020 due to the COVID pandemic. EBITDA reached 53.2 billion, 3.4 times more YoY. Investments amounted to 20.2 billion dinars. NIS paid 217.8 billion dinars in taxes and fees, 21% higher YoY.

In 2021, the company produced 1.194 million toe of oil and gas. NIS put in operation over 40 new exploration and production wells in Serbia and Romania. The Pančevo Refinery increased its processing volume by 9% to 3.945 million tons of oil, the highest level since 2009. Sales of petroleum products soared to 4.031 million tons, 14% more YoY.

While boosting retail and export, NIS continued developing its filling station network. In 2021, NIS put in operation ten new filling stations in Serbia, including its first location on the new Miloš Veliki highway.

The company continued the construction of the Pančevo thermal power plant, which will be put in operation in 2022.

At the end of 2021, NIS, the Serbian Ministry of Economy and HIP Petrohemija signed a strategic partnership agreement. NIS has undertaken to increase its stake in HIP Petrohemija to 90%, contribute 150 million euro to Petrohemija's capital, and construct a new 140 thousand ton polypropylene plant within the next six years.

NIS maintains its sustainable development focus. In 2021, the company invested over 355 million dinars in environmental projects. Furthermore, the company has significantly improved safety – lost-time incident frequency dropped by 10% YoY. NIS keeps supporting the local community in its development. In 2021, NIS invested over 315 million dinars in social projects and in supporting professional sports, including the 107.5 million spent on environmental



projects in 12 towns and villages across Serbia, participating in the Common Cause Community program.

Kirill Tyurdenev, NIS CEO:

“It has been a challenging year, but we managed to keep NIS stable and diversify our portfolio by venturing into petrochemistry. The fulfilment of the strategic partnership agreement with HIP Petrohemija and the Serbian Government will remain our top priority for the next several years. We also plan to keep modernizing all areas of our business and will invest about 25 billion dinars in development projects this year. We will keep following the business model we have selected during the crisis period, as the market is still unstable. Our priorities are maintaining financial discipline, implementing our key investment projects, helping our employees develop professionally, and contributing to the well-being of the community.”

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