



**NIS**  
GAZPROM NEFT

**FUTURE  
AT WORK**

One of the biggest vertically integrated energy systems in

## South-East Europe

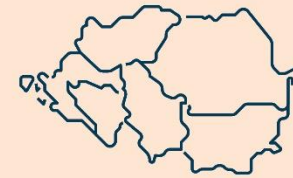


Since 2009 over

**3 bn euros**

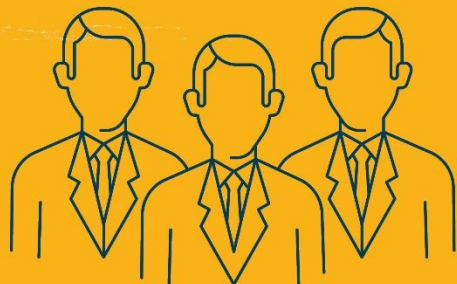
have been invested in the development of the company

One of the major investors and exporters in Serbia



NIS operates in Serbia, Bosnia and Herzegovina, Bulgaria and Romania

Goal of NIS is to be a role model for others in terms of business efficiency and dynamics of the sustainable development



A team of over

**11,000 employees**

Structure of share capital

**Gazprom Neft 56,15%**

**The Republic of Serbia 29,87%**

**Other shareholders 13,98%**



# OUR ACTIVITIES





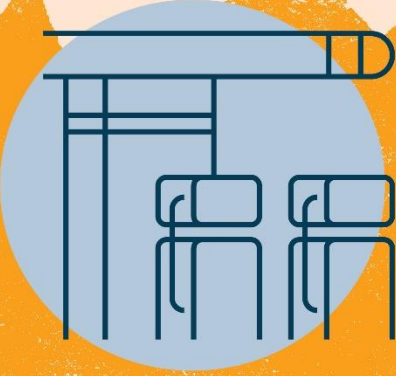
**Exploration and  
production**



**Refining**




**Services**



**Sales and  
distribution**



**Energy**

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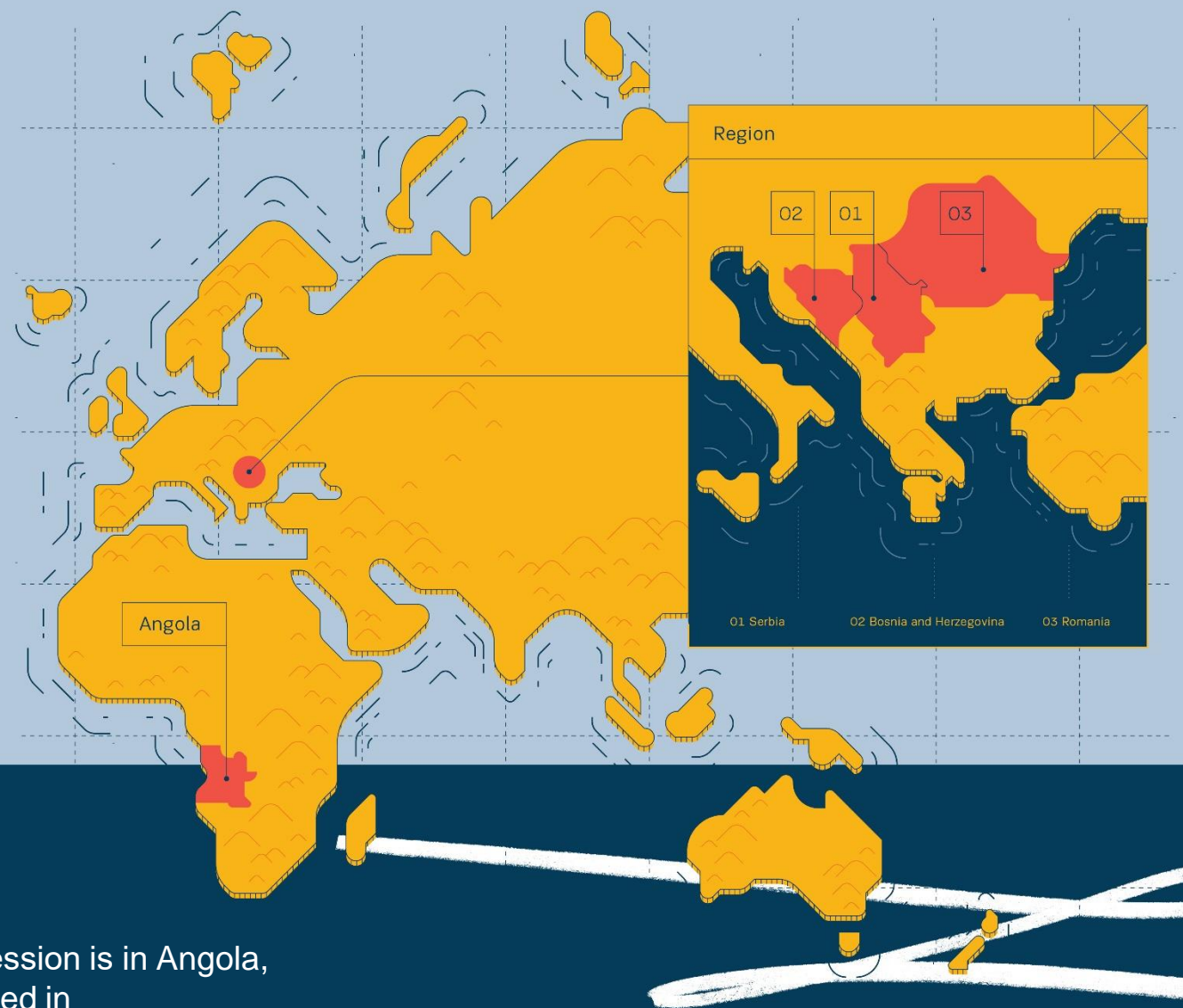
# **EXPLORATION AND PRODUCTION**

NIS is the only company in Serbia that deals with exploration and production of oil and gas.

Most oil and gas fields are located on the territory of Serbia.

Exploration works are ongoing in Romania and Bosnia and Herzegovina.

Pilot production of oil and gas started in Romania.



In 2019

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**1,286 mln**

toe produced on company's assets

NIS's oldest concession is in Angola,  
oil production started in

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**1985.**



**SERVICES**



The modern equipment that NIS owns enables the company to fulfill its needs and work internationally.

Services in the domain of exploration and production (geophysical survey, well construction, infrastructure development and workover, special operations and measurements in wells).

Maintenance of tools and machinery, construction and maintenance of oil and gas systems and facilities.

In 2019

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**700 sq km**

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covered with seismic in Serbia and over

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**300 sq km** in Romania





An abstract graphic on the left side of the image. It features a dark blue background. On the left, there are overlapping organic shapes in shades of orange and yellow. A white, stylized signature or scribble is drawn over the yellow shape. The word "REFINING" is written in white, bold, uppercase letters on the right side of the image.

**REFINING**

NIS manages a refinery in Pancevo, one of the most modern refineries in the Balkans, with the maximum annual capacity of 4.8 mln tons.

Produces motor fuels of Euro-5 standard, jet fuel, liquid petroleum gas, feed for petrochemical industry, bitumen and other petroleum products.

Refinery's key investment project is construction of the Delayed coker unit worth 300 mln euros.



In 2019

total volume of refining of crude and semi-finished products was equal to

**3,373 mln tons**

The record monthly volume of bitumen production in the last 10 years was reached

**59,000 tons**

Refinery signed the contract for procurement of cutting-edge

**INDMAX technology**

and base design for upgrade of catalytic cracking unit with a reputable international company Lummus Technology



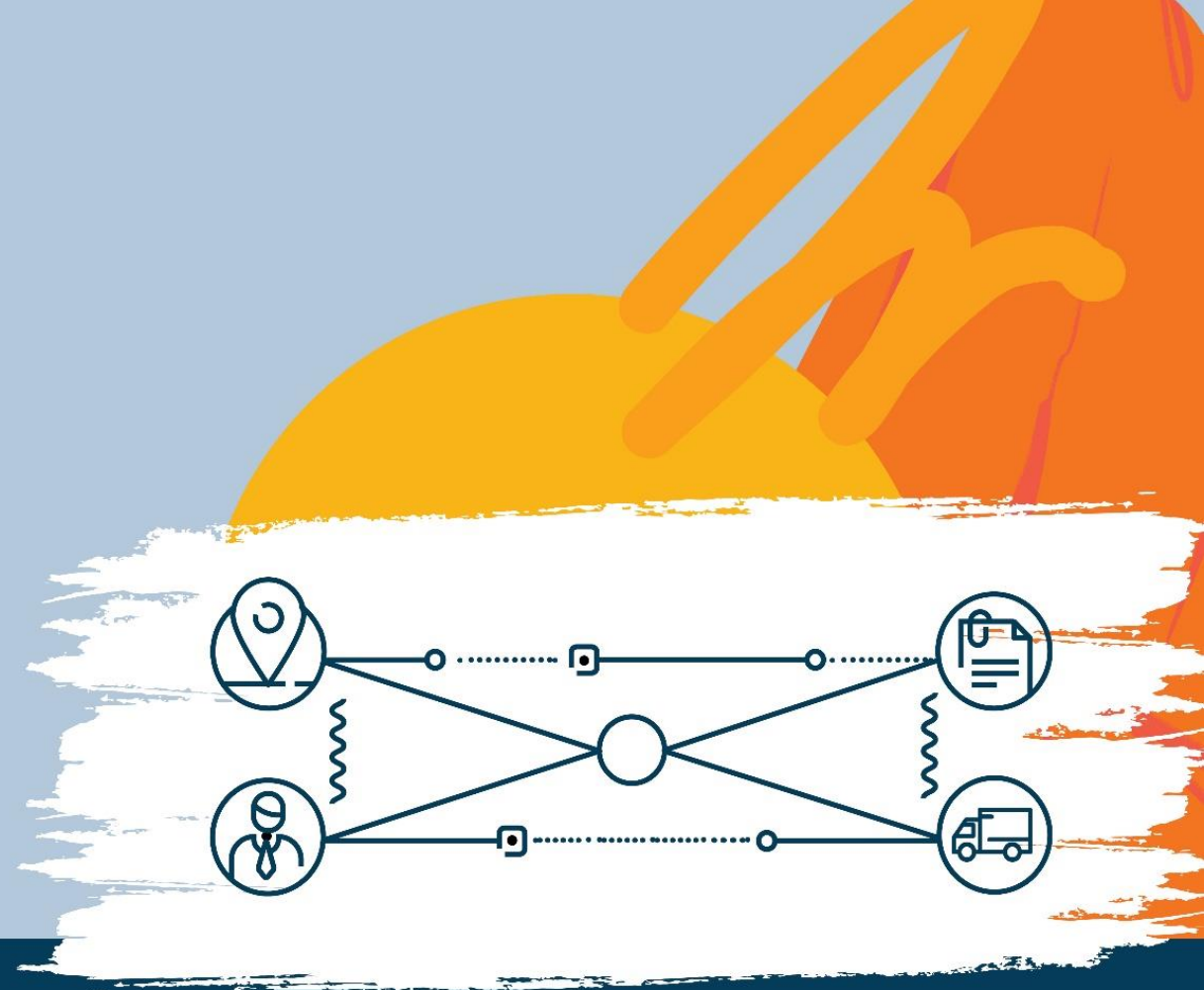
# **SALES AND DISTRIBUTION**

As separate business lines NIS develops jet fuel supply, bunkering, sales of oils and lubricants and bitumen.

Development of the loyalty program „Sa nama na putu“ in Serbia and in the region.

NIS exports energy and motor fuels, gases, oils, lubricants and aromatics.

NIS continued retail network upgrade program – 3 state-of-the-art digital petrol stations were put into operation on Serbian highways.



NIS owns over

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**400 petrol stations**

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in Serbia and in the region – Bosnia and Herzegovina, Romania and Bulgaria

In 2019 total sales volume was equal to

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**3,702 mln tons**

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with an increase of retail sales of 5%

The company is present on the market under two brands:

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**NIS Petrol and GAZPROM**

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**ENERGY**

NIS deals with power and heat generation from conventional and renewable sources, production and sale of compressed natural gas, sale of natural gas, power trading, development and implementation of energy efficiency improvement programs.

Over 20 mln euros invested in cogeneration program.

In the power trading area, NIS is present on the markets of Serbia, Bosnia and Herzegovina, Romania, Slovenia and Hungary, power trading operations also take place on the border with North Macedonia.



NIS has put into operation mini power stations generating electricity and heat on its oil and gas fields with the maximum capacity of

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**14,5 MW**

Effect of energy saving and energy efficiency improvement measures in 2019 amounts to

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**336 mln dinars**

In 2019, jointly with “Gazprom energoholding”, NIS started the construction of Combined Heat and Power Plant (CHPP) Pancevo, a project worth around

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**180 mln euros**



# 2019 BUSINESS RESULTS

In 2019 Company realized the biggest investment program from 2013.

Total investment of

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**42.2 bn dinars**

mainly in exploration and production and upgrade of the Pancevo Refinery

EBITDA

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**44.5 bn dinars**

Net profit

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**16.6 bn dinars**

Liabilities in taxes and other public revenues

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**189.8 bn dinars**

Payout of dividends to shareholders

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**6.5 bn dinars**







**OUR PEOPLE**

NIS's goal is to attract young talent – successful implementation of the student internship program “NIS Calling”.

Company's “Serbia repatriation” program is aimed at encouraging Serbian specialists to come back to their home country and engaging them in challenging projects of the company.



Company's most valuable resource is its team of

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**11,000 talented and skilled employees**

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from around 20 countries

In 2019 employee training programs received an investment of

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**257 mln dinars**

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over 4,000 participated in these programs

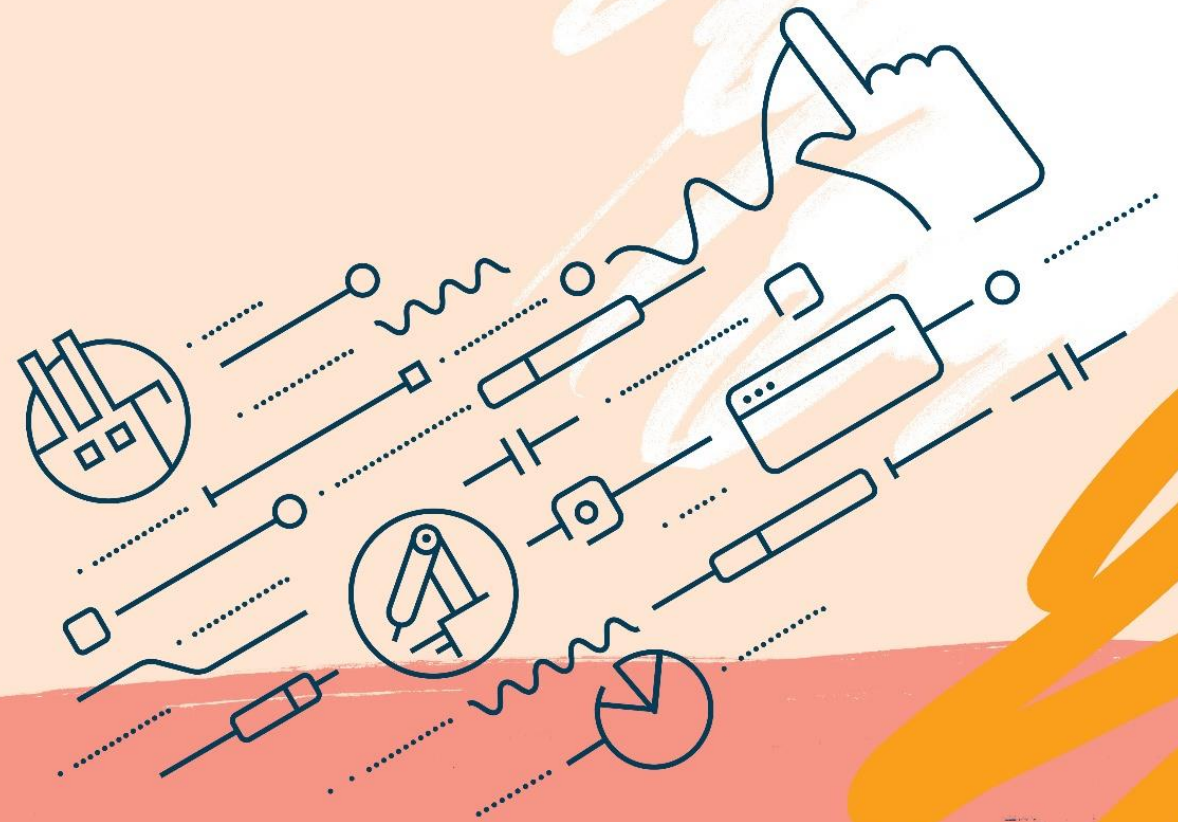


# **DIGITAL TRANSFORMATION**

Innovations and agility are the foundation of NIS's further advancement.

Digital transformation program is introduced in every business segment; the company sees it as a new development opportunity.

Around 50 digital projects identified, 10 of which are under implementation.



Effects of digital transformation:

- **improvement of safety**
- **efficiency gains**
- **development of technologies**





# SUSTAINABLE DEVELOPMENT

Sustainable development principles are a part of every business process at NIS.

Goal of NIS is to assure business processes with zero injuries and negative impact on the environment.

UN's sustainable development goals are Company's guiding principles and inspiration.

In 2019 environmental projects received  
an investment of

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**534 mln dinars**

Four pillars of NIS development:

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- **Economic advancement**
- **Human resources**
- **Health, safety and environmental protection**
- **Responsibility to the community**



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**FUTURE AT WORK**

NIS implements socially responsible programs under the slogan “Future at Work”, with a special focus on supporting the young and developing local communities.

Key directions of the support programs:

- Improvement of scientific and educational establishments
- Support of healthcare and social institutions with a broad public impact
- Development of sports infrastructure
- Promotion of culture and art
- Philanthropy and volunteering activities initiated by our employees and with their participation.



Since 2009 over

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**3.8 bn dinars**

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have been invested in various projects

Partnership with local communities around Serbia through  
“Common Cause – Community” program – in 2019 over

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**116.5 mln dinars**

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invested in healthcare and medical institutions in partner  
communities and towns



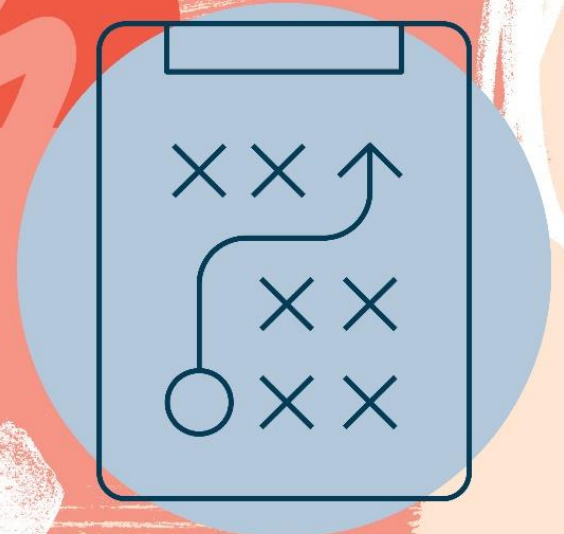


# OUR STRATEGIC GOALS

NIS 2025 development strategy defines pillars of our further development under challenging macroeconomic conditions.

## Strategy goals:

- Retention of oil and gas production indicator and growth of hydrocarbon reserves
- Further upgrade of the Pancevo Refinery and maximization of business profitability
- Formatting and modernization of our retail network
- Conquering the regional leader position in terms of business efficiency
- Power generation through construction of new production capacities
- Continuous growth of NIS as a market leader and maximization of EBITDA and net profit





# THANK YOU



**NIS**  
GAZPROM NEFT

FUTURE  
AT WORK