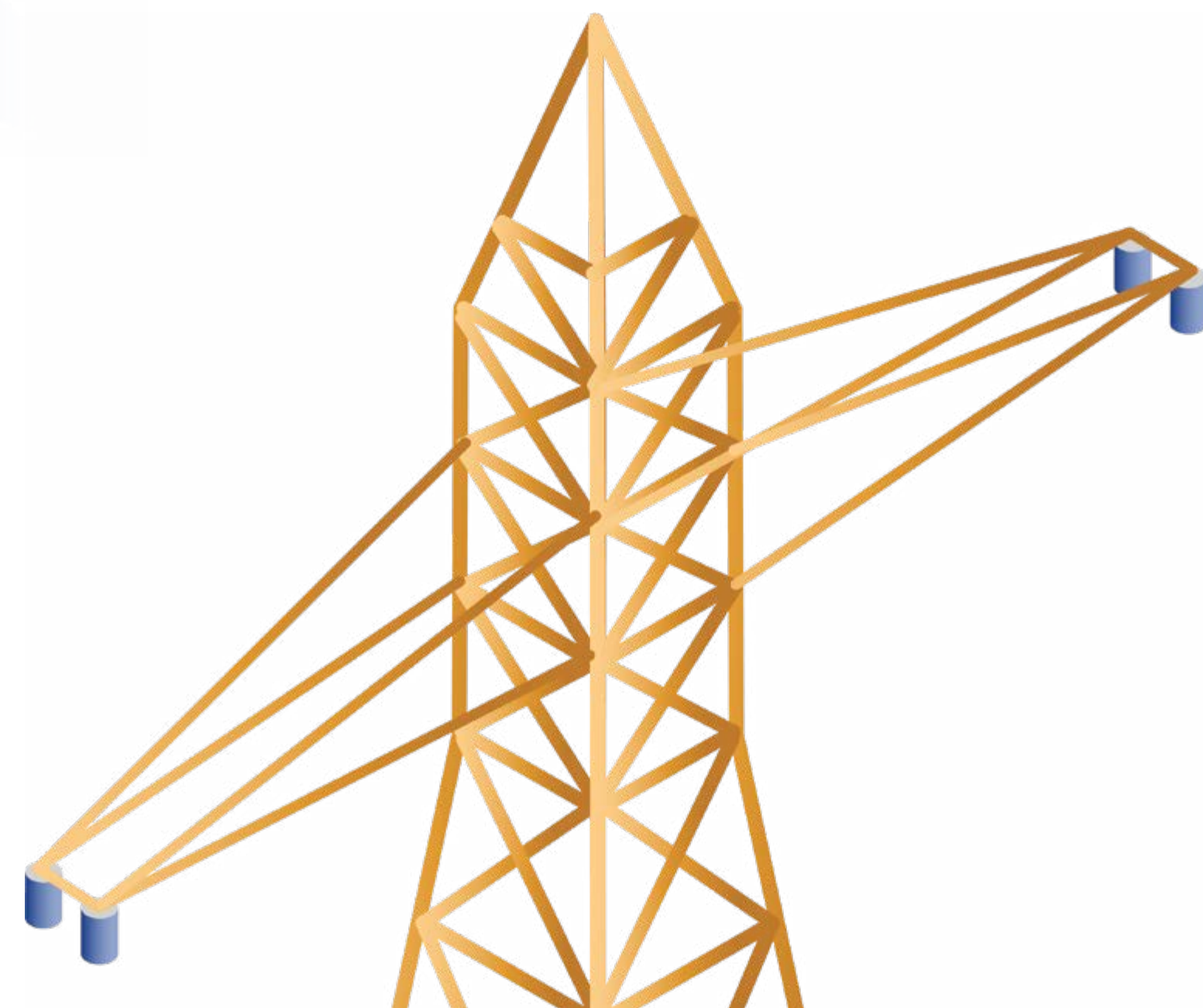
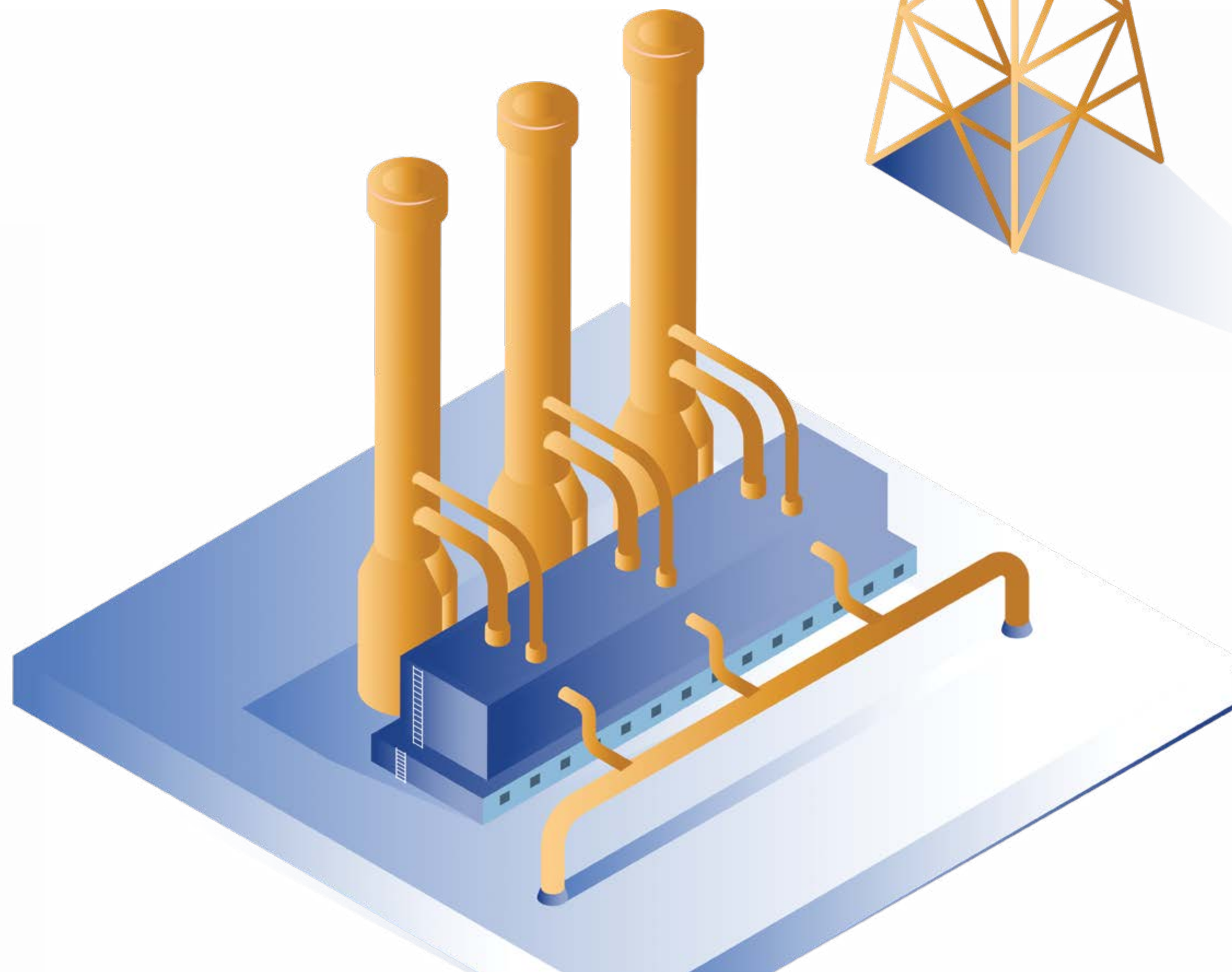
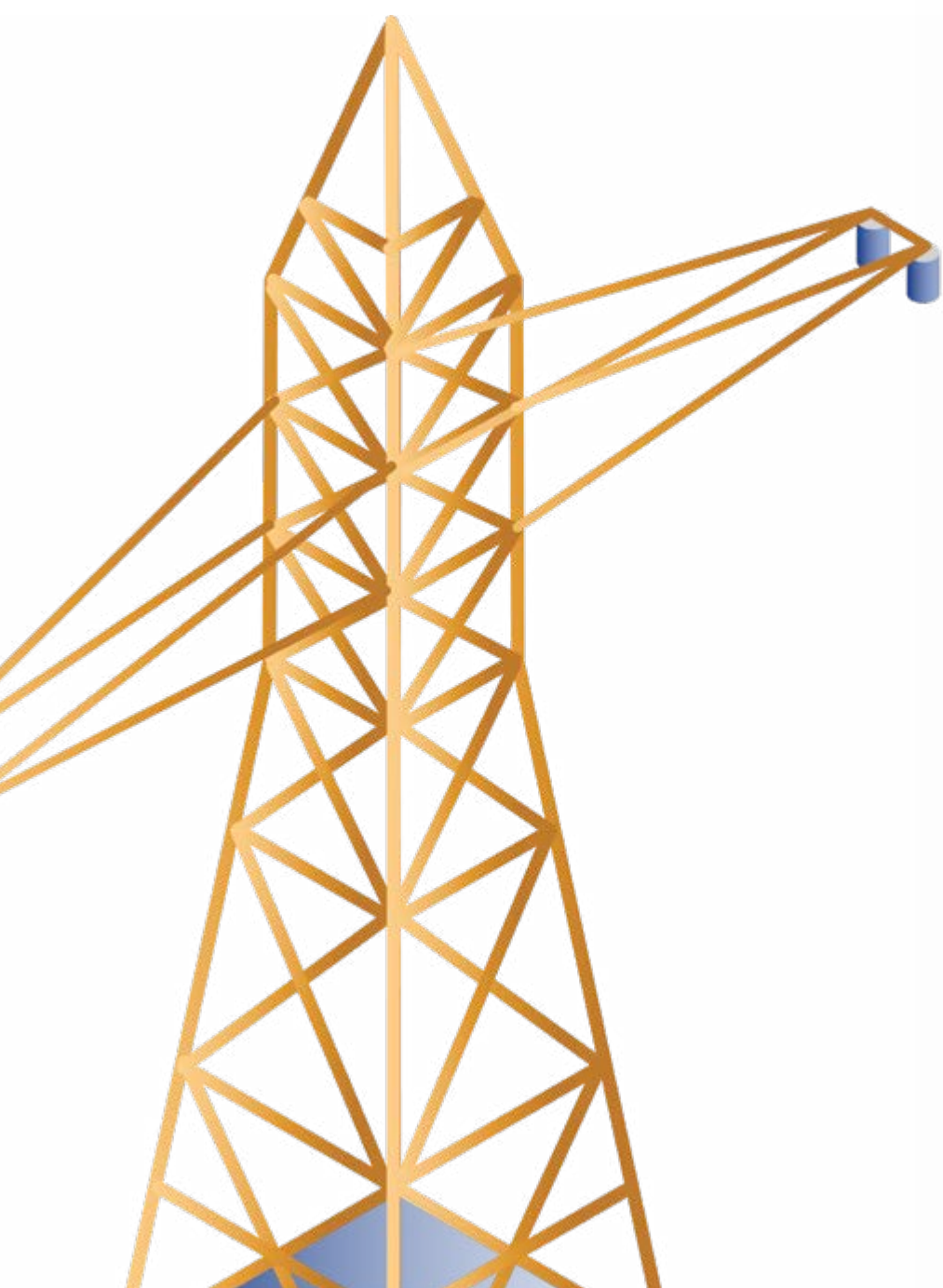
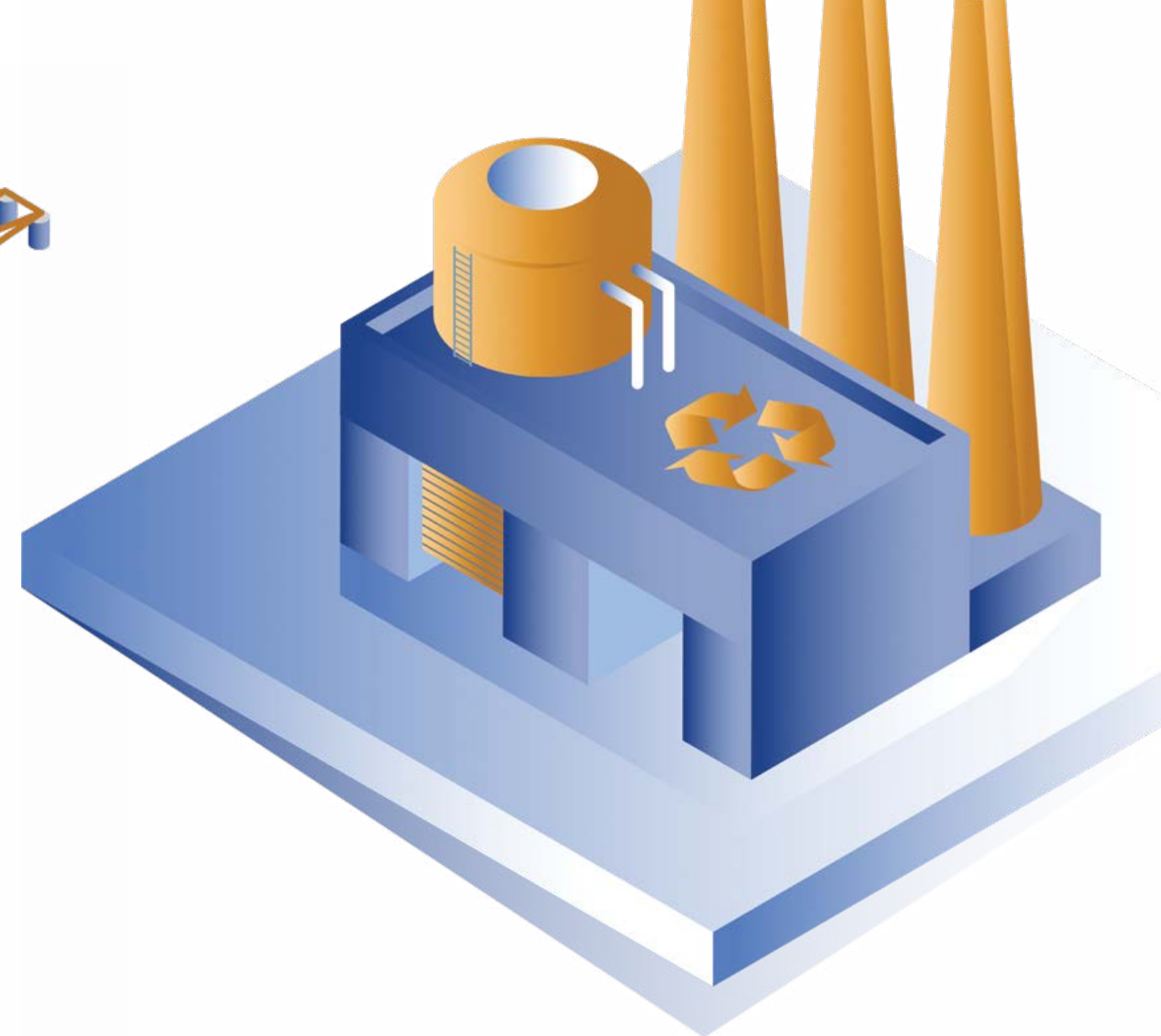
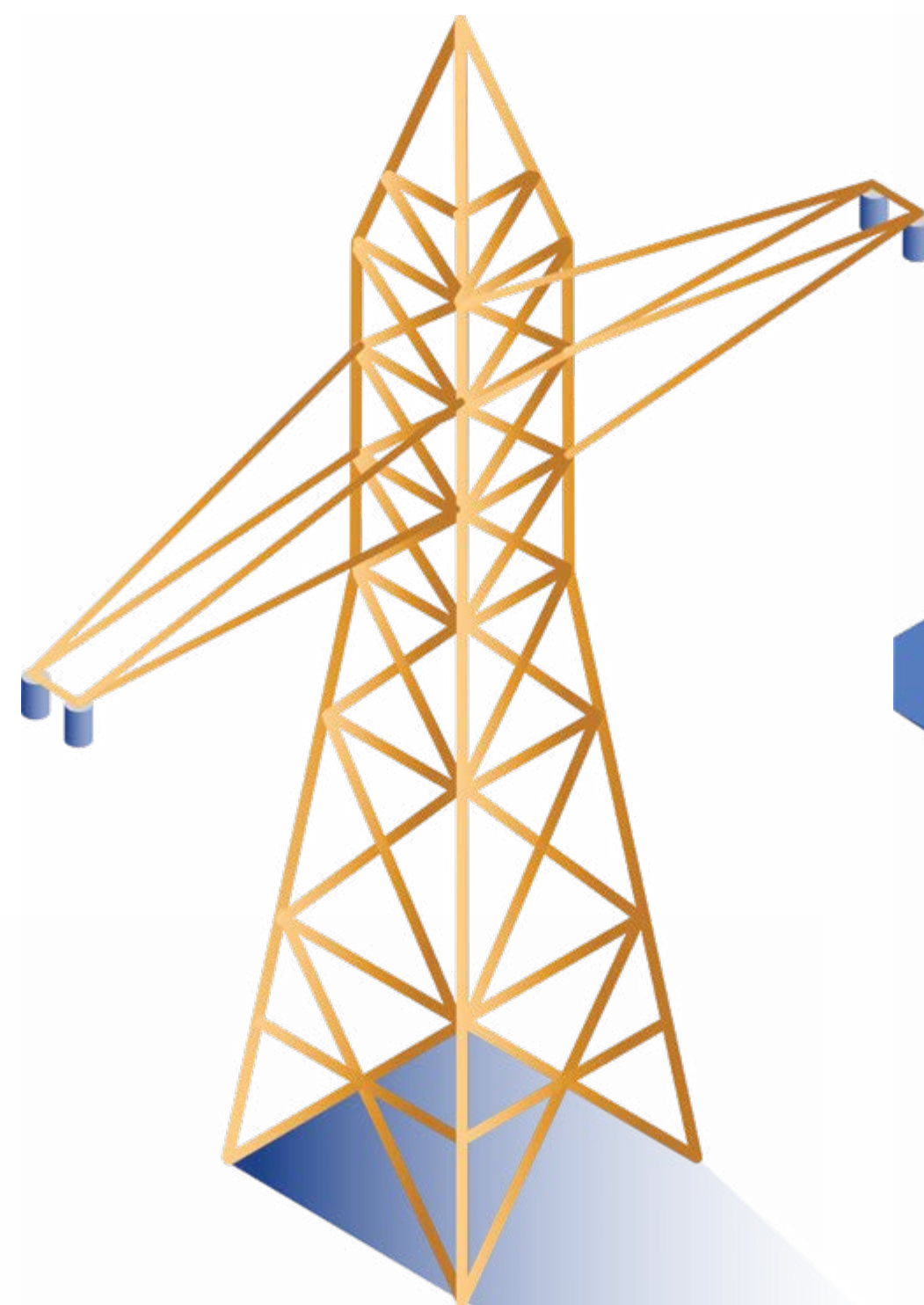
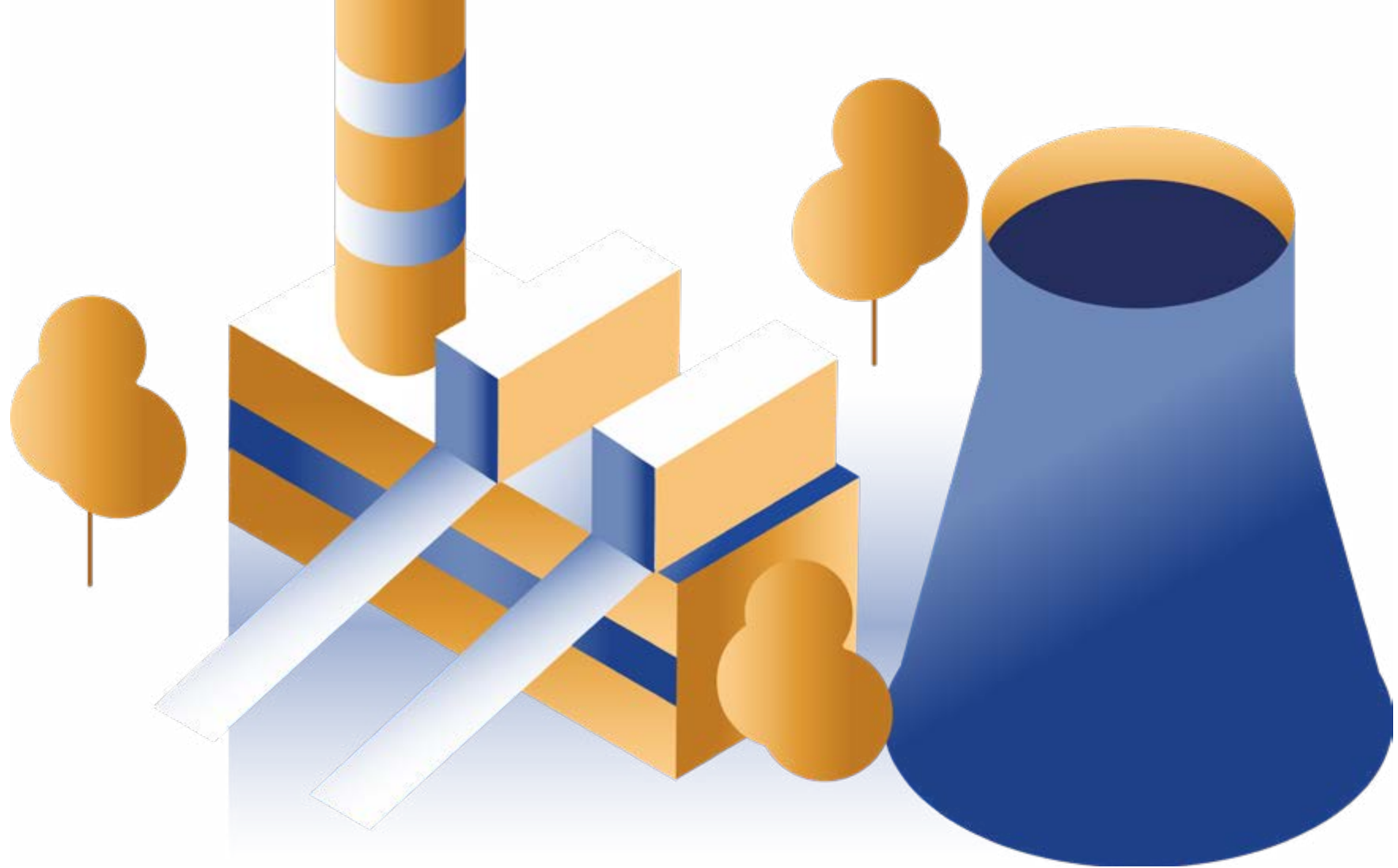


SNIS **FUTURE AT WORK**

***COMPANY
PROFILE***



ABOUT NIS

The NIS Group is one of the largest vertically integrated energy systems in South-East Europe, registered in Serbia.

NIS Group's core business activities are exploration, production and refining of oil and natural gas, sale of a broad range of petroleum and natural gas products, and implementation of petrochemical and energy projects.

Apart from Serbia, NIS operates in other countries of the region - Bosnia and Herzegovina, Bulgaria, and Romania. The company has downstream assets in all of these countries, as well as upstream facilities in Romania and Bosnia and Herzegovina.



Our biggest asset is the team of

11.000 PEOPLE

who are the driving force behind the company's development. NIS has long been one of Serbia's most attractive employers. Our long-term goal is to further increase employee engagement and develop our HR practices to create best work experience for our employees.

Future plans of the company are defined in the 2025 **Development Strategy**. The company's goal is to be a role model in efficiency and adherence to sustainable development principles and to create new values for its shareholders, employees, and the community despite the macroeconomic challenges.

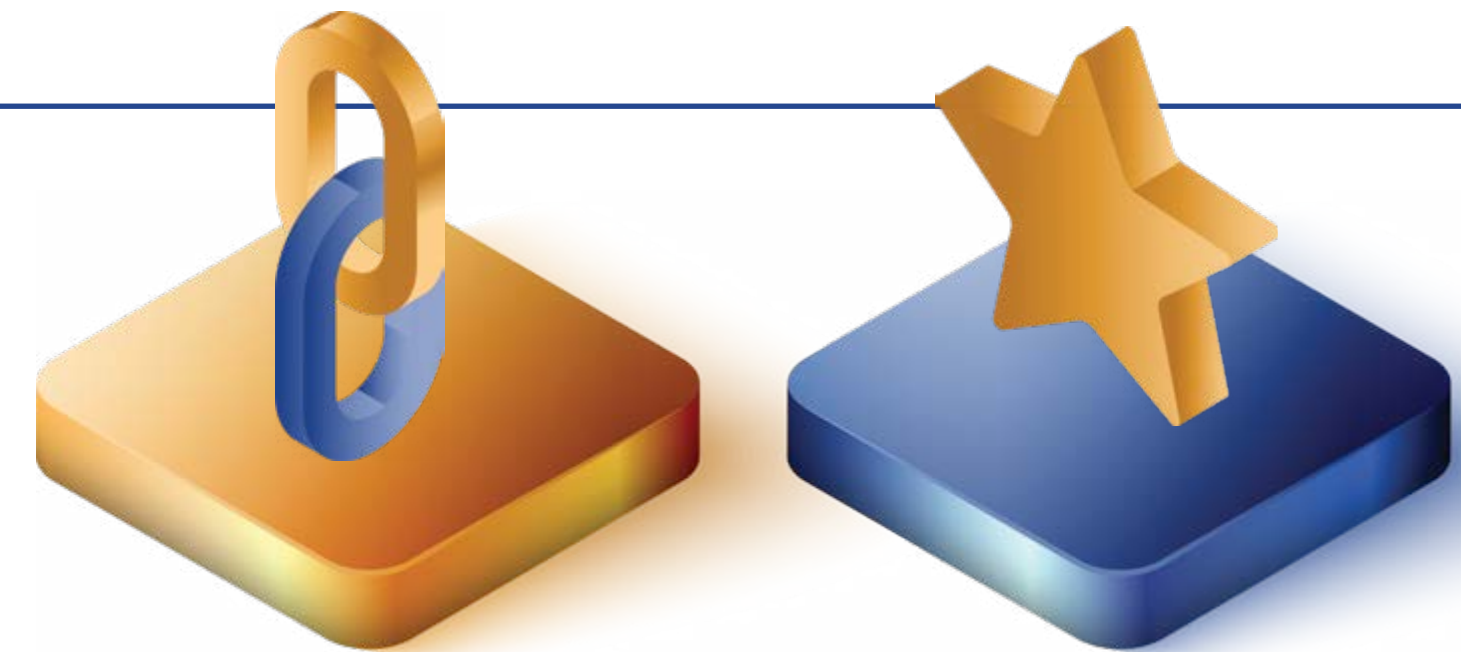
In its work, NIS is committed to supporting the local communities and working to improve the well-being of their residents. This is why, since 2009, the company has implemented a large number of social responsibility projects and has invested over

4,1 MILLION DINARS

in the development of the local communities.

MISSION

By responsible use of natural resources and the state-of-the-art technology, supply the people of the Balkan region with the energy for making progress.



VISION

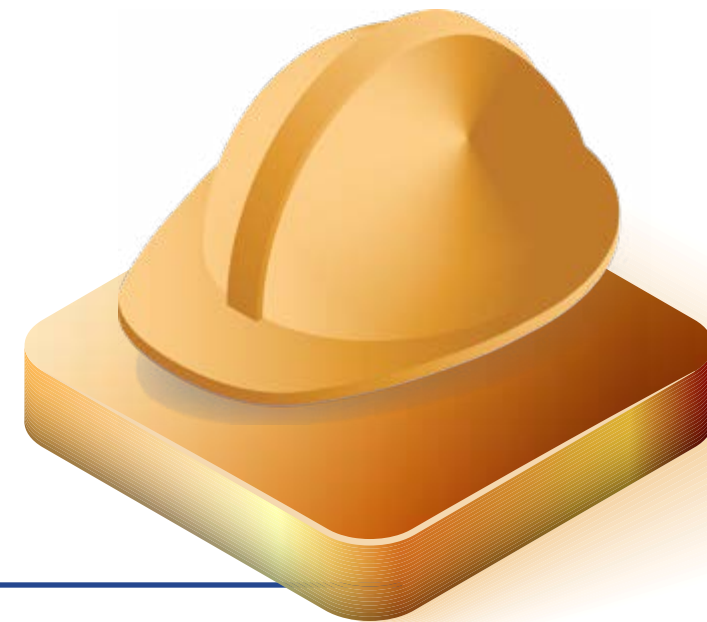
Owing to its active sustainable development and efficiency increase NIS will be a recognizable leader in the Balkan region in its field, showing a great level of social and environmental responsibility as well as the highest standards of service.

VALUES

RESPONSIBILITY

Our result and safety are my responsibility!

A responsible company and employees who use resources effectively for the common good.



INNOVATIVENESS

Awaken your curiosity!

We find and support new and consistently better solutions to continually improve ourselves and remain the industry leaders.



TRANSPARENCY

Open towards each other!

Only through open and fair communication, we can create a transparent working environment.

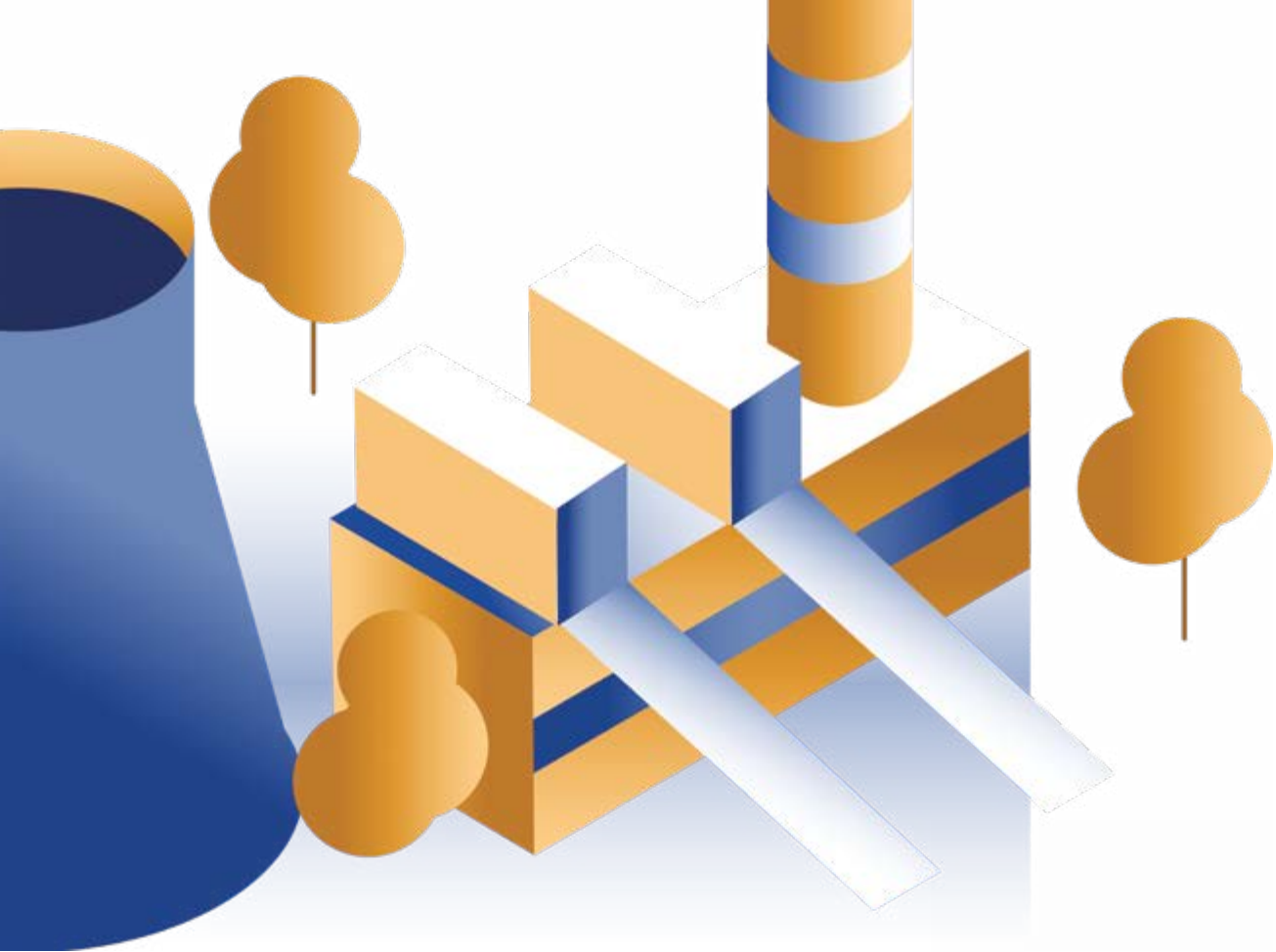


EXPERTISE

Knowledge creates our future!

Everything we create is based on our expertise that inspires change throughout the community.

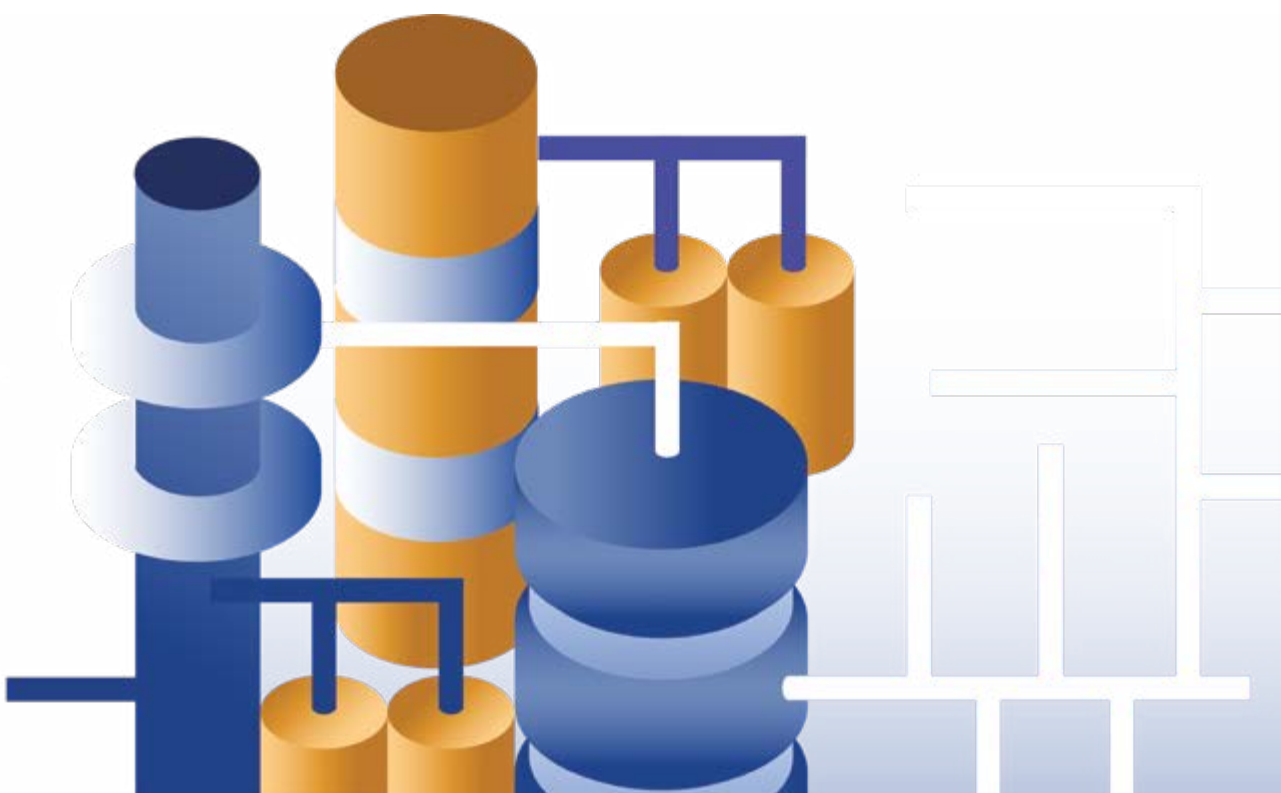
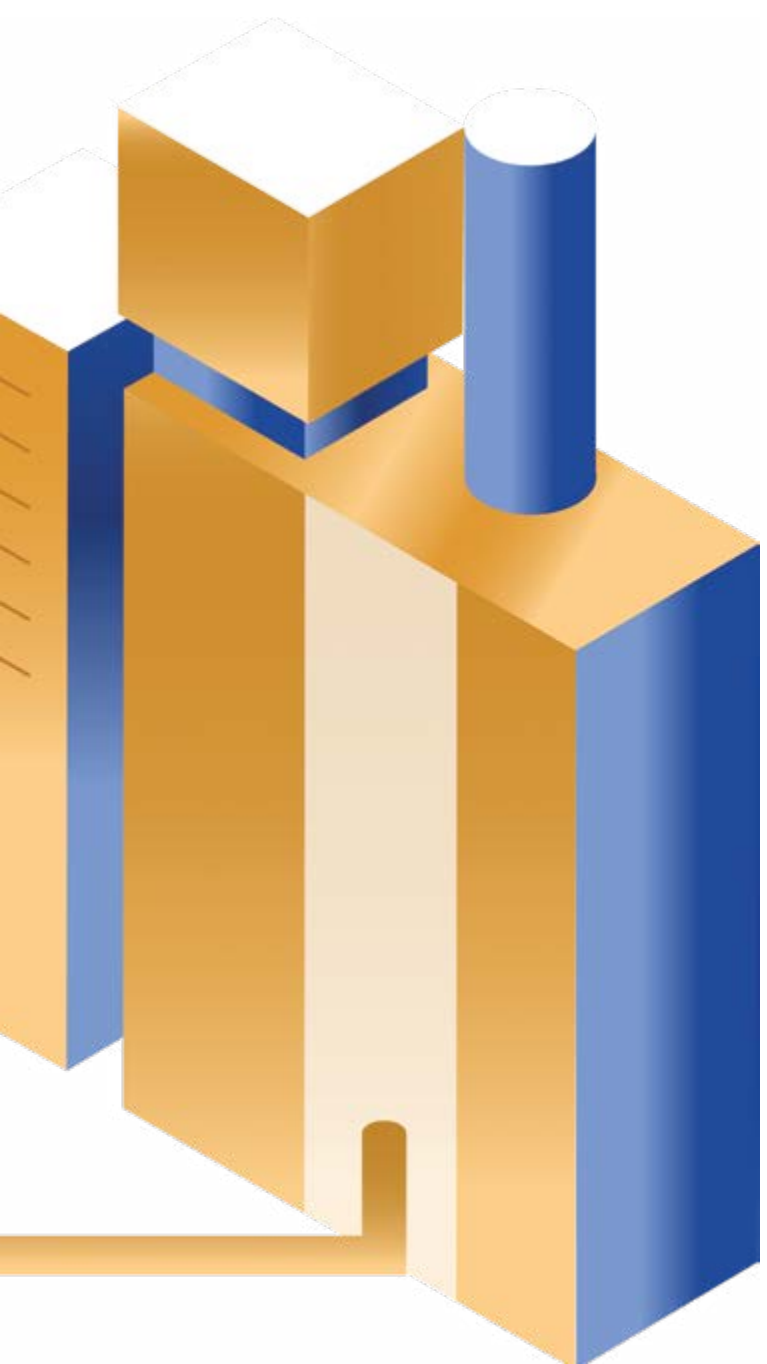




OPER



ATIO



MS

UPSTREAM

NIS is Serbia's only petroleum company. Most NIS oilfields are located in Serbia, with some upstream assets in Romania and Bosnia and Herzegovina. The company's older concession block is in Angola. The block has been in operation since 1985.

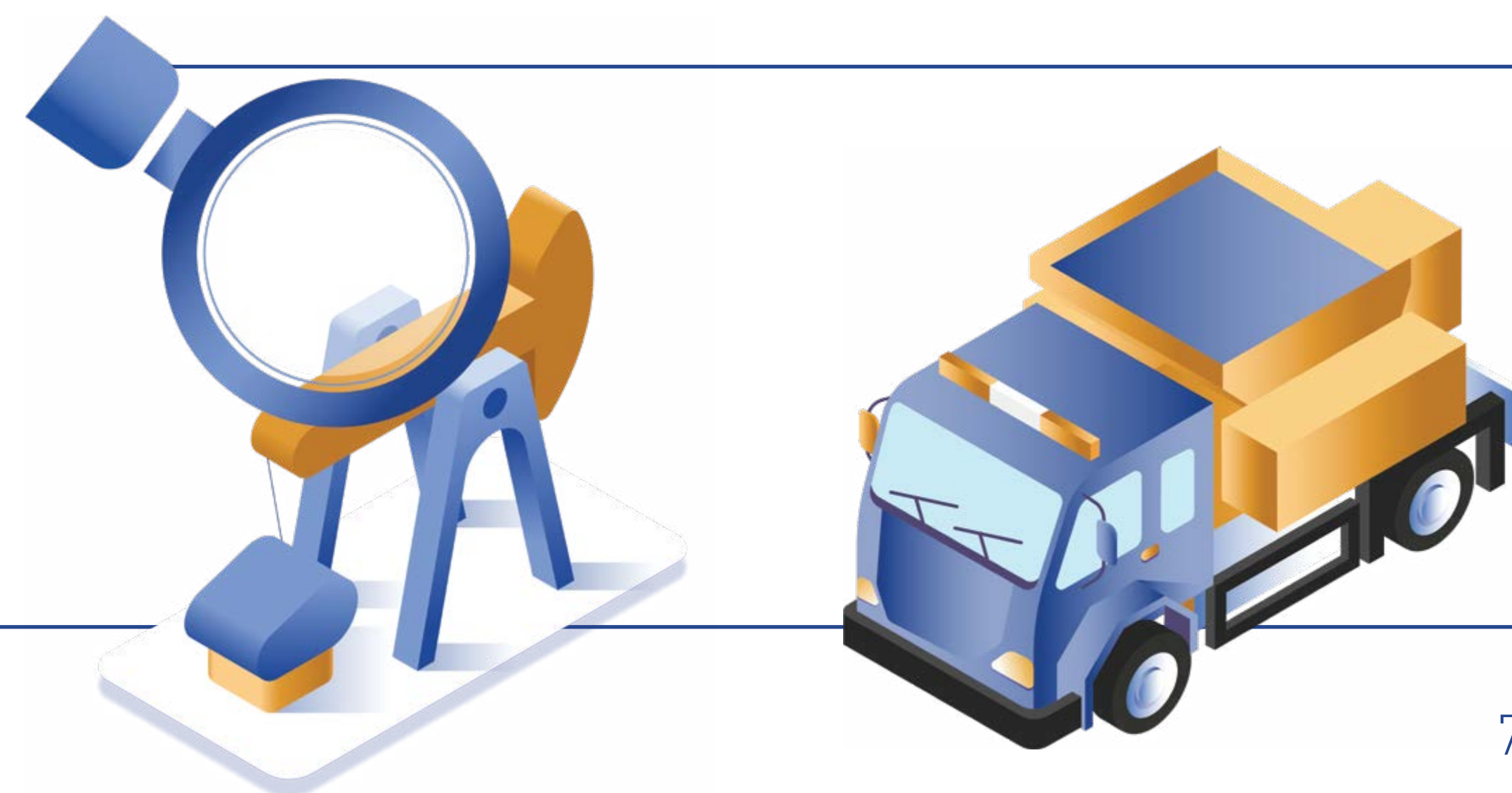
In 2021, more than 40 new exploration and production wells were put in operation. Total production was 1.194 million tons of oil equivalent.

In the town of Elemir NIS operates a plant for natural gas preparation, LNG production, and CO2 extraction as well as an amine treatment unit based on the high-pressure acidgas capture technology. This technology allows to fully eliminate any CO2 emissions into the atmosphere, thus creating significant environmental benefits.

Elemir is also home to the NIS Upstream Training Center. This state-of-the-art facility is equipped with simulators that fully mimic all production processes so that the workers can practice all tasks under controlled conditions.

OILFIELD SERVICES

NIS has its own service capabilities that meet the company's demand and provide services to third parties. The upstream services include geophysical testing, well construction and workover, as well as a wide range of well interventions and measurements. The oilfield services unit also provides equipment and infrastructure maintenance and construction services. The objective for this segment of the company's business is to strengthen its presence in the international market. To achieve that, we focus on modernizing our equipment, ensuring high quality standards, improving efficiency, and creating new workplaces.



REFINING

The Pančevo refinery is one of the most developed and environmentally friendly refining facilities in the region. Its maximum design capacity is 4.8 million tons per year. Since 2009, NIS has invested over 800 million dinars in the modernization of the refinery, with significant funds allocated to environmental protection projects. Due to these efforts, in 2017, the refinery became the first plant in Serbia to receive IPPC certification that guarantees compliance with the highest Serbian and European environmental protection standards.

The Pančevo Refinery produces the following: Euro-5 motor fuels, liquefied natural gas, jet fuel, coke, materials for the petrochemical industry, fuel oil, bitumen, and other petroleum products.

In 2021 the refinery reached the record output of the last 13 years having processed 3.945 million tons of crude oil, which is 9% more than in 2020. Same year the refinery launched a new product, B7 eurodiesel with biocomponents, and started shipping it to the Romanian market. NIS continues to upgrade and develop its refining capabilities and has made all preparations to launch the third stage

of the refinery modernization. This will include the modernization of the fluid catalyst cracking unit and the construction of a new ETBE plant to increase the production of propylene and also produce quality biocomponents to be added to gasoline. The refinery will also focus on digitalization and energy efficiency.



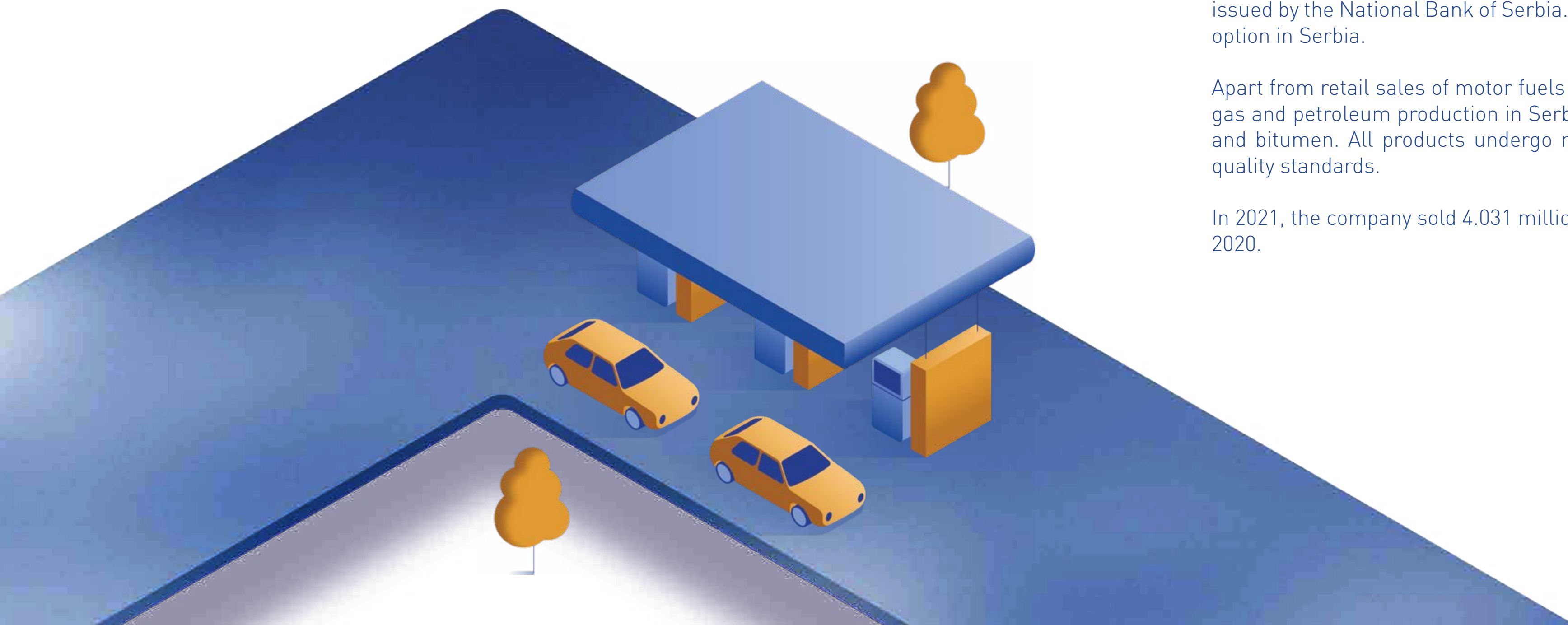
SALES AND DISTRIBUTION

NIS operates a network of over 400 filling stations across region, with over 90 stations outside Serbia. In the retail market NIS operates under two brands – NIS Petrol and Gazprom. NIS Group filling stations are known for top-quality fuel and a wide range of additional goods, as well as efficient client-friendly service.

We are constantly working to develop the retail network and further improve the quality of goods and services. In 2021, the company has constructed and refurbished ten filling stations. NIS was the first to open a filling station of the new Milos Veliki highway. The company also refurbished and reopened the Zmaj 1 station, one Belgrade's most popular. To improve communication with clients, NIS offers two digital solutions - the Drive.Go app and the Sa Nama Na Putu virtual loyalty card. In 2021, the Drive.Go app received an Innovation Award from Hot Spot e-Commerce Awards. Both Sa Nama Na Putu and Drive.Go are on the list of Google Play's to 10 free business apps. Since 2021, it is possible to pay utility bills at our filling stations using a IPS QR code issued by the National Bank of Serbia. We have been the first company to implement this innovative payment option in Serbia.

Apart from retail sales of motor fuels and accompanying goods, our sales segment covers wholesale of oil, gas and petroleum production in Serbia and abroad, as well as sales of jet fuel, bunkering fuel, lubricants, and bitumen. All products undergo rigorous lab testing and meet the highest Serbian and international quality standards.

In 2021, the company sold 4.031 million tons of petroleum products, an all-time high, and 14% more than in 2020.



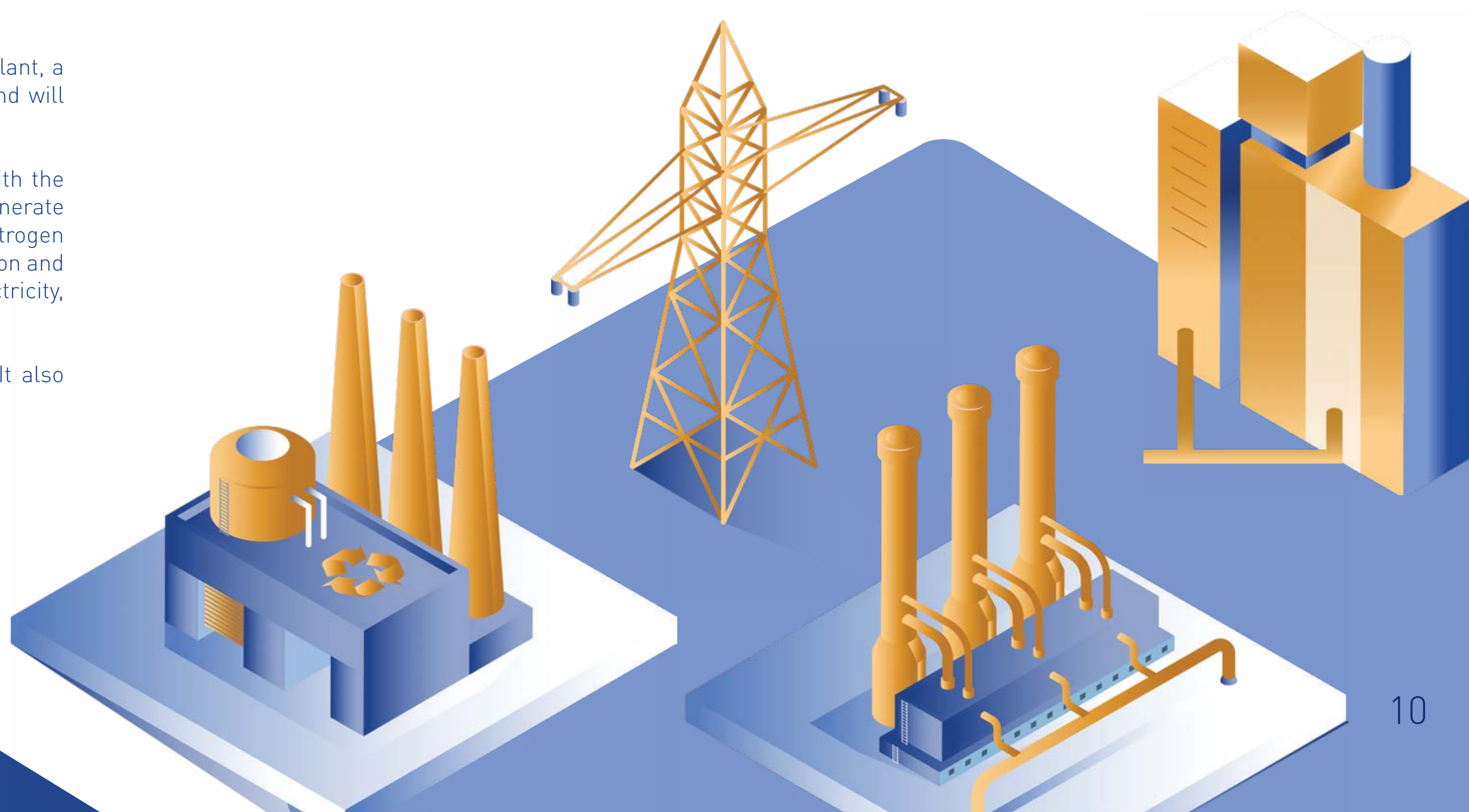
ENERGY

This segment includes production of electricity and heat from conventional and renewable sources, production and sale of regular and compressed natural gas, electricity trading, and energy efficiency projects.

In 2021, NIS continued the construction of the Pančevo combined heat and power plant, a joint project with Gazprom Energoholding. The project is worth 180 million euro and will allow NIS to produce both electricity and heat.

Since 2013, eight NIS oilfields across Serbia have small power generation units with the total capacity of 14.5 MWh. The environmental benefit of such facilities is that they generate electricity from associated gas, which had been previously unusable due to high nitrogen and CO2 content and lack of infrastructure. The electricity covers auxiliary consumption and the rest is sold in the market. The Jimbolia oilfield in Romania also generates electricity, which is then sold in the local market.

NIS trades electricity in Serbia, Bosnia and Herzegovina, Romania and Bulgaria. It also trades in Hungary, Croatia, Slovenia, North Macedonia, and Montenegro.





DEVE

LOP

MENT

FINANCIAL PERFORMANCE

For NIS, 2021 has been the year of recovery after the crisis caused by the COVID pandemic. We achieved good results and have set the company up for further modernization. Net profit was 21 billion dinars. NIS invested 20.2 billion dinars in development projects. EBITDA as 53.2 billion dinars. NIS paid 217.8 billion in taxes and other fees, which is 21% more YoY. Over a billion dinars was paid in dividends.

At the end of 2021, NIS signed a strategic partnership agreement with the Government of Serbia and HIP Petrohemija. According to the agreement, after all preconditions are met, NIS will increase its participating interest in HIP Petrohemija from 20.86 to 90%.



2025 DEVELOPMENT STRATEGY

Further development of NIS group is governed by the 2025 Development Strategy that prioritizes growth of profit for shareholders and creation of benefits for employees and local communities.

The key goals according to the Strategy are:

- to maintain production volumes and expand the resource base
- to increase refining depth and efficiency
- to increase sales of petroleum products across various channels and to modernize the retail network
- to diversify the business by building new power generation capabilities
- to improve energy efficiency



DIGITALIZATION

Digital transformation is one of the tools for NIS to achieve its strategic goals, so we are focused on implementing new technologies to strengthen our competitive ability, improve relations with clients, develop our personnel and improve process safety.

The digital transformation portfolio of NIS contains over 100 projects and initiatives. The transformation is driven by the continuous development of personnel, creation of short-term and long-term plans for each business segment, defining goals and ways to achieve them and attracting external expertise where necessary.

To exchange knowledge and strengthen the ties between business and academia, NIS cooperates with leading Serbian universities, including the Niš Electronics Faculty, Belgrade Electrotechnical Faculty, and the Novi Sad Technical Sciences Faculty. We also cooperate with IT companies and startups as well as the IT community as a whole. These partnerships will be our focus in the nearest future as the fastest route towards digital transformation of business processes.



CORPORATE GOVERNANCE

NIS maintains high standards of corporate governance in line with the best global practices. The company's continuous development and transparent stakeholder relations are the basis for the trust between NIS and its shareholders, investors, and the society. To facilitate communication with shareholders and investors NIS has two offices for minority shareholders relations in Belgrade and Novi Sad, as well as an investor relations unit, a dedicated call center, email, and website. NIS applies the best standards of stakeholder communications, prioritizing transparency and open dialogue. A number of awards for investor relations from the Belgrade stock exchange go to prove the company's efforts. In 2021, the PC Press magazine rewarded the quality of our digital media by including our website into the top 50 of best sites.



HUMAN RESOURCES

The NIS Group employs more than 11,000 motivated professionals and believes that the future of the Company begins with the arrival of each new colleague. The company is responsive to the needs of its employees, follows trends in the labor market and works to attract the best young talent. NIS offers modern flexible work models where employees are able to work from home, gradually return to work from parental leave, collect and use overtime hours within the "hours bank", and, when possible, use coworking spaces in the nearest office without the need to commute.

In 2021, the company continued investing in the professional development of its employees, and held a large number of trainings while observing all safety measures. We organized the 2870 trainings with 5,226 participants. The total number of training hours was 63,373. The company continued offering employment opportunities to new graduates. We successfully completed the first season of the NIS Energy program dedicated to supporting young talent. All 15 participants remained to work for the company after the first year. NIS has completed the casting for the second season of the program and has selected 27 new graduates that will now have a chance to gain new experience supported by mentors. We also continue the NIS Calling internship program, where selected students are given 480-hour internships with the company.



HEALTH, SAFETY, AND ENVIRONMENT

Responsible attitude towards natural resources and employee safety remain a priority for NIS. In 2021, we invested 355.6 million dinars in environmental protection projects.

NIS continuously works on improving the environmental indicators of its production processes, developing the environmental awareness of employees and encouraging the application of the best available technologies in investment projects that have a direct or indirect impact on the environment.

HSE is an integral component of any business process in the company. In 2021, the company finalized its 2030 Environmental Strategy. NIS analyzed the relevant regulations of Serbia and the EU, assessed how much needs to be invested to attain compliance, defined long-term goals to reduce its environmental impact, like reducing its carbon print and emissions and improving energy efficiency, identified specific projects to be implemented and the investments needed. The company also demonstrated a better result in health and safety. Lost-time incident rate was 10% lower than in 2020.



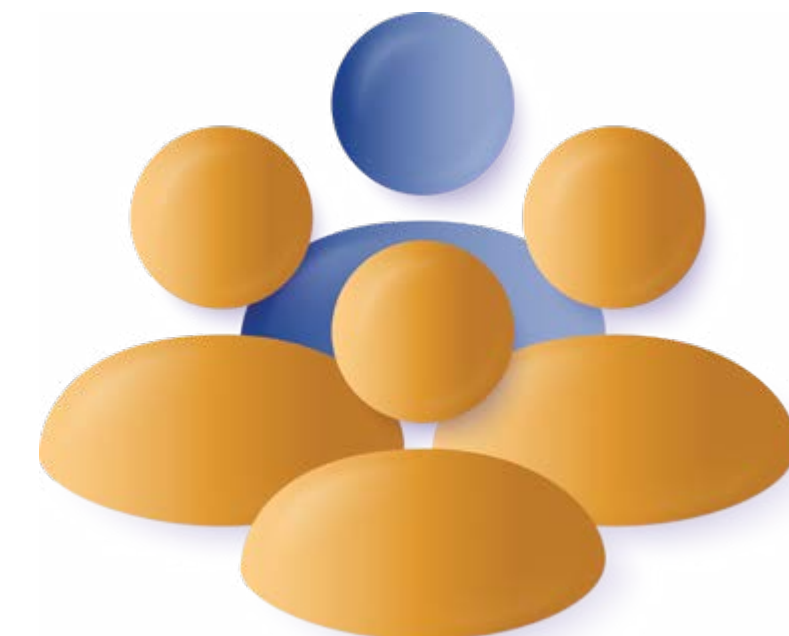
CORPORATE SOCIAL RESPONSIBILITY

Social responsibility and the commitment to the development of the society remain among our priorities. In 2021, NIS invested over 315 million dinars in socially responsible projects and supporting professional sports. As environmental protection is one of our top concerns, in 2021 as part of the Common Cause Community program, we allocated 107.5 million dinars for 29 environmental projects in 12 partner towns and municipalities across Serbia. The projects are aimed at modernizing the energy and environmental infrastructure of educational, health, sports, and cultural institutions in the local communities. Striving to help protect the environment and mitigate climate change, NIS volunteers have planted over 500 maple and sycamore trees around the Pančevo Refinery.





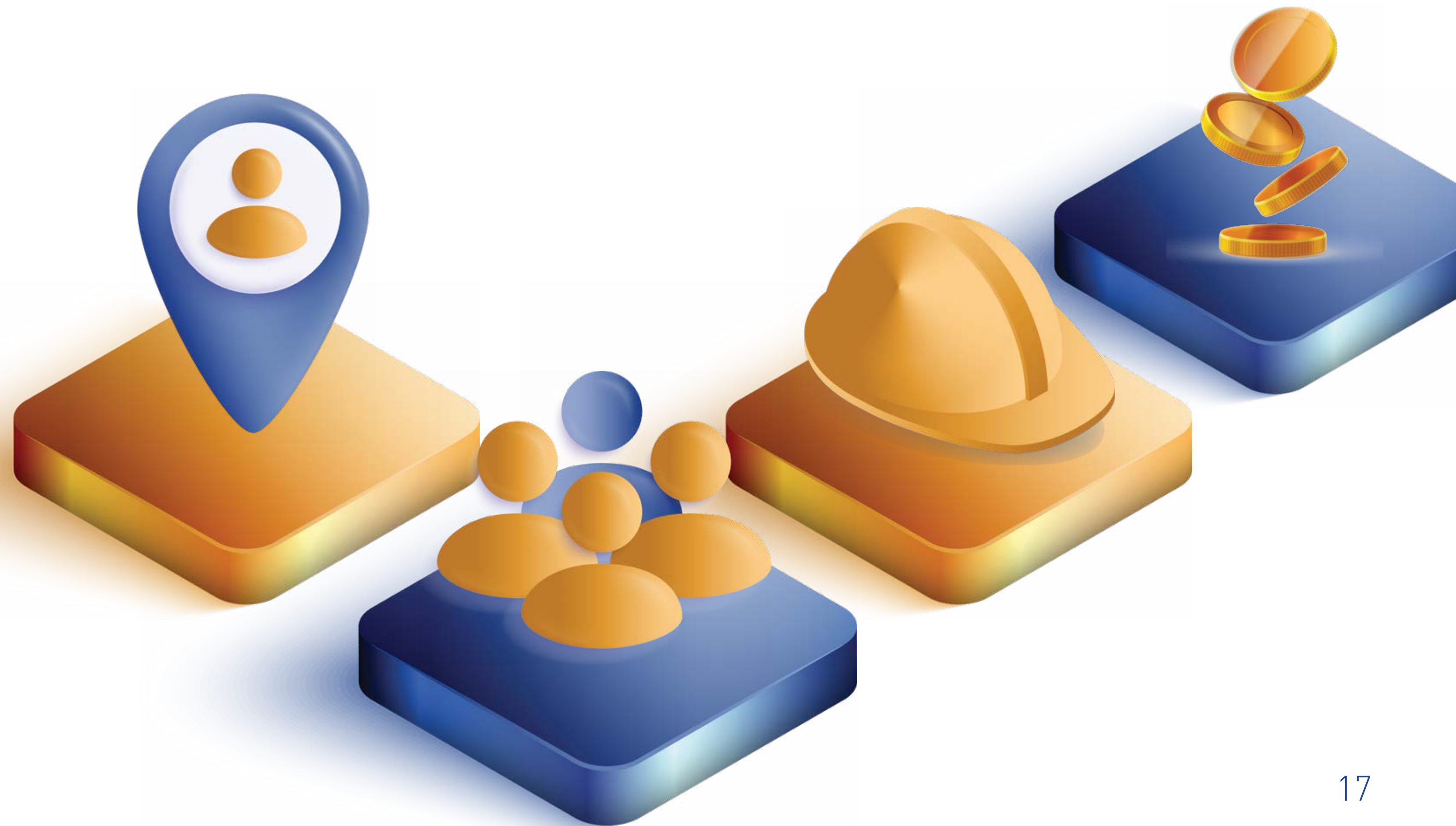
In 2021, we kept helping healthcare institutions across the country. The company donated funds for procurement of materials and equipment to numerous healthcare facilities, including the Institute of Public Health of Serbia “Dr Milan Jovanović Batut”, the Serbian Institute for Oncology and Radiology, Belgrade Emergency Center, and the Dr Simo Milosevic hospital. The company donated over 120 thousand liters of Jazak water to COVID hospitals and departments. Social responsibility work of the company is not limited to donations. NIS Volunteer Club organizes multiple events and campaigns to support the most vulnerable groups. NIS volunteers helped pack and deliver the Jazak water to hospitals. They also planted an orchard and a herb garden in the yard NURDOR building in the town of Valjevska Kamenica. NURDOR is an association of parents of children with cancer, who will now be able to enjoy organic vegetables and herbs. NIS volunteers participated in the renovation of the Milica Stojadinović Srpkinja School in Vrdnik. On the the beginning of the school year, the volunteers donated 600 sets of school supplies to children from the Belgrade Shelter, the Center for the Protection of Infants, Children, and Youth in Zvečanska, Children’s Shelters in Belgrade and in Novi Sad, and the SOS Children’s Village in Kraljevo. In order to motivate young people to play sports, the Company in cooperation with the Office for Kosovo and Metohija in the Government of the Republic of Serbia and the Sportstars Association, donated sports equipment and props to 18 elementary schools with over 1,500 students in 10 towns in Kosovo and Metohija. NIS also participated in the charity auction selling items donated by Marina Maljković, the head coach of the Serbian women’s basketball team, and the ambassadors of the Institute for Women’s Sports. All the proceeds of the auction went to support the University Children’s Clinic in Tiršova and the Institute for Maternal and Child Health Care of Serbia Dr. Vukan Čupić.



Investing in knowledge and young people is a strategic goal of the Company, so in 2021, NIS continued supporting the improvement of the Serbian educational system. Cooperation with educational and scientific institutions in Serbia and abroad, as well as support for the popularization of the Russian language and culture in Serbia is all part of the NIS Energy of Knowledge program. The company financed the equipment of the Russian language classroom in the Šabac High School and a computer science classroom in the Belgrade Mathematics High School. NIS signed a memorandum of cooperation with the Belgrade Technical and Metallurgy Faculty and the Niš Philosophy Faculty. NIS supports projects that popularize the Russian language and culture. One of such projects was the publishing of the Russian learning books for adults titled Ни пуха ни пера!. In 2021, NIS employed six scholarship students, and another six received new scholarships. So far, NIS has offered scholarships to 130 students, 60 of whom have already joined the company. Our efforts to contribute to the quality of education in Serbia have been recognized by the public. Kirill Tyurdenev, NIS CEO, received the St. Sava Award in 2021 for outstanding contribution to the development of educational and scientific institutions by supporting talented students and promoting science.

SUSTAINABLE DEVELOPMENT

Every year NIS traditionally publishes a verified report on sustainable development to inform the public of the company's performance, investments in socially responsible projects, environmental protection, health and safety at work, as well as human resources development. The company is the leader in the field of sustainable development reporting in Serbia, as evidenced by the fact that in 2022 it published its 12th consecutive verified report. As a company that incorporates the principles of sustainable development into all its business activities, NIS contributes to the fulfilment of 12 of the 17 UN Sustainable Development Goals. Strengthening the community in which it operates is one of the company's strategic priorities.





[nis.rs](https://www.nis.rs)