

NIS BUSINESS OPERATIONS IN THE FIRST THREE QUARTERS OF 2021

Significantly improved operating results with a net profit of RSD 13.3 billion

In the third quarter of 2021, the NIS Group further improved its financial and operating ratios. In the nine months of the current year, the company generated a net profit of RSD 13.3 billion compared to a net loss of RSD 8.3 billion in 2020. At the same time, EBITDA amounted to RSD 38.2 billion, which is multiple times more than in the comparative reporting period when EBITDA amounted to RSD 10.4 billion. These results were achieved thanks to improved macroeconomic circumstances, primarily higher oil prices and the recovery of demand, as well as to the implementation of a program of measures aimed at improving operational efficiency and financial discipline at all levels of the NIS Group. The price of Brent crude oil in the first nine months of 2021 averaged at \$67.7 per barrel, which is 66% more than the average price in the period January to September 2020.

Also, in 2021, the NIS Group continued to pursue its investments in capital projects that amounted to RSD 13.1 billion. Total debt owed to banks decreased by 7% compared to the nine months of last year. The accrued liabilities for public revenues amounted to RSD 155.7 billion, i.e. were 18% higher than in the first nine months of 2020. In the third quarter, NIS paid out dividends to its shareholders for 2020 in the amount of 1,001,190,856 dinars.

When it comes to operating ratios, the oil and gas production for the nine months of 2021 amounted to 890,000 t.o.e. In the first nine months of this year, the company put into operation a total of 34 oil wells. The volume of refining of crude oil and intermediaries stood at 2.867 million tonnes, which is a 9% increase from the comparative reporting period. The Pančevo Oil Refinery produced its initial quantities of Euro Diesel with a biocomponent and shipped them to the Romanian market. The total sales turnover of petroleum products was 2.901 million tonnes, which is a 14% improvement compared to the same period last year. At the same time, NIS continued to develop and improve its services, and consumers were provided with the option to pay utility bills at NIS Petrol and Gazprom petrol stations, with an IPS QR code issued by the National Bank of Serbia. The results in the field of HSE (Health, Safety, Environment) were also improved, and the lost time incident frequency (LTIF) decreased by 21% compared to the first nine months of 2020.

NIS continued to support its community and allocated RSD 107.5 million for environmental projects under the auspices of the Common Cause Community Program to be implemented in 12 partner cities and municipalities throughout Serbia.

Kirill Tyurdenev, CEO of NIS, said:

"After the last year's crisis caused by the COVID-19 pandemic, 2021 marks a period of stability for NIS. Therefore, we invest significant efforts in further improving operational efficiency and preserving financial discipline. Our program of measures has resulted in a net effect of RSD



1.8 billion on the EBITDA in the first nine months of this year. All of this, along with constant investments in the modernization of the company, we have established a solid foundation for further development and achievement of our strategic goals."

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