

FOCUSES OF NIS: MAINTAINING THE KEY INVESTMENTS AND FURTHER COMPANY DEVELOPMENT

Due to the drop in oil prices and the drastic reduction in demand for petroleum products caused by restrictive measures to prevent the spread of COVID-19, the global oil industry is operating in extremely unfavorable circumstances. NIS Company is a part of the global market and these negative trends, as expected, have reflected on our company and financial results.

In the period after lifting of the state of emergency in the Republic of Serbia, the focus of NIS remains safe business, the health of our employees and consumers, as well as maintaining a stable supply of the market. NIS remains one of the key guarantors of the energy stability of the Republic of Serbia. The Company has preserved the salaries of its employees and, relying on its own resources, has achieved savings that enable the business continuity.

External circumstances affected the financial results of NIS in the first quarter to be lower compared to the same period last year, and the results in the second quarter are expected to be strongly influenced by the consequences of the pandemic as well, primarily low oil prices and falling demand. As in such circumstances it is impossible to forecast accurately further market developments, NIS has developed several crisis scenarios, as well as short-term and long-term plans. The goal is for the company to be agile and ready to adapt to the circumstances in which we work on a daily basis.

In this regard, the priorities of NIS will be to maintain the Company's liquidity, as well as to continue investing and working on projects that will bring the most benefits in the coming period. To this end, the following measures have been implemented:

- Reduction of operational and administrative costs;
- Prioritization of investments with a resolute continuation of the implementation of key development investments;
- Operational efficiency increase in all business segments.

In addition, NIS has harmonized its policy in the area of sponsorships and donations with the current circumstances. Of special importance for the Company remains the preservation of social security of our employees, i.e., the regular payment of salaries in full amounts, as well as the preservation of an adequate dividend policy.

"NIS has implemented decisive operational and financial measures to meet the challenges posed by the new circumstances. With great efforts of all employees, our stable production, refining and distribution of petroleum products have been preserved. Now we are moving forward, and continuing to work on key investment projects that will guarantee further development and the stable future of our company. I mean by that, primarily, the Bottom of the Barrel project in the Oil Refinery in Pancevo, and the construction of the Pancevo Combined Cogeneration Plant. We are aware that the success of these investments and all the announced measures depends on the people who are working on their implementation. Therefore, our priority will be the social stability



of our employees, whose dedicated work in circumstances that are not easy, is our inspiration and the guarantee that NIS will successfully overcome this challenging period”, Kirill Tyurdenev, the CEO of NIS concluded.

Head of
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Mirjana Stanojevic