

GLOSSARY

ADR

American depository receipt

Alkaline-surfactant-polymer (ASP) flooding

Chemical technique for oil recovery enhancement at mature fields where a mixture of alkali, surfactant and polymers is injected into the reservoir

APG

Associated petroleum gas

Augmented reality

A technology that superimposes computer-generated data (images, video, text, graphics) on the content displayed by an electronic device, be it a smart phone or AR glasses. In production, it is leveraged to promptly receive information about equipment and its condition, simulate work processes, report failures, conduct employee training, and more. It also significantly reduces the number of errors and increases work efficiency

B2B

The exchange of products and services between businesses, rather than between businesses and consumers

B2C

The process of selling products and services directly to consumers who are the end-users of these products and services

Bps

Basis point

Cased borehole

Borehole section with casing pipes installed. Casing pipes are screwed on to each other or welded together to form a casing column

CGU

Cash-generating units

CIS

Commonwealth of Independent States (post-Soviet republics, with the exception of Latvia, Lithuania, Georgia and Estonia)

CNG

Compressed natural gas

Corporate culture

A system of shared values, attitudes, goals and principles of teamwork and workplace dispute settlement, common to all Company employees and based on corporate values

Corporate culture workshops

Employee workshops with participation of the Group's executives set up to discuss "as is" and "to be" state of the Company's corporate culture model and the initiatives required to build a more engaging working environment

CPI

Consumer price index

D&O

Liability insurance of directors and officers

DCU

Delayed coker unit

EAD

Electronic asset development

EBIT

Earnings before interest and taxes. This measure of a company's financial performance stands in-between gross and net profit

EBITDA

Earnings before interest, taxes, depreciation and amortisation

ECA

Export credit agency

Engaging environment

A set of principles and processes that help employees reach their full potential, work relentlessly to develop and improve their performance, actively collaborate to address issues, and feel a sense of personal responsibility for their share of work and outcomes

Etalon

An operations management system based on an exemplary business model. The endeavours to deliver exemplary performance are typical of a mature company that has successfully navigated through developmental challenges

EURIBOR

Euro Interbank Offered Rate

FAR

Fatality accident rate

GDP

Gross domestic product

GRI

An internationally recognised sustainability reporting framework developed by the Global Reporting Initiative

Hierarchical management

A classical organisational model integrating top-down management guidance with down-top flow of information from personnel on the ground. It is based on stringent supervision, clear delineation of responsibilities, cumbersome processes and vertical hierarchy and is viewed as hardly effective in today's world

IEA

International Energy Agency

IFRS

International Financial Reporting Standards

Industrial Internet of things

IIoT refers to interconnected sensors attached to physical assets and networked together with computers to enable efficient data collection and exchange. It is used for remote control of equipment and industrial automation, cutting down human intervention

IRMF

Integrated risk management framework

KPI

Key performance indicator

Lean production

An approach to management that focuses on continuous improvement and aims to eliminate all sorts of losses. It engages all employees in driving a flow of improvements

LIBOR

London Interbank Offered Rate

LPG

Liquefied petroleum gases

LTIFR

Lost time injury frequency rate

Management by objectives

Collective approach to formulating goals, setting the direction, and decision making inside the company. It ensures that the executives and employees share the same goals, understand their importance, and are able to assess their performance and facilitate improvements

MET

Mineral extraction tax

Mud pit

A facility designed for centralised collection, treatment and disposal of drilling waste

Network-based management

A modern management model based on flexible cross-functional teams capable of setting their own goals and making independent decisions. It relies on horizontal hierarchy, lifelong learning and personal responsibility for the outcomes. It is best for addressing complex challenges in a rapidly changing environment

NGL

Natural gas liquids

NIS

Naftna Industrija Srbije A.D., Novi Sad

NPP

Non-profit partnership

NPS

Net Promoter Score

Oe

Oil equivalent

OECD

Organisation for Economic Cooperation and Development

OMS

Operations management system

OPEC

Organization of the Petroleum Exporting Countries

PBB

Polymer-bitumen binders

PMB

Polymer modified bitumen used for road construction

Pp

Percentage point

Predictive analytics

Data analysis methods that aim to predict future behaviour of subjects and objects in order to drive better decisions

Predictive incident management

A fundamentally new approach to equipment maintenance and repair based on the analysis of digital data gathered from sensors to accurately predict wear and tear. It helps maximise maintenance efficiency and prevent accidents

PRMS

The Petroleum Resources Management System. It is the most widely used one of its kind in the world, defining not only the degree of uncertainty in relation to discovering oil and gas, but also the economic feasibility of extracting hydrocarbons. The petroleum quantities are estimated based on the 3P scenario (proved, probable, possible)

Proppant / propping agent

Granular material designed to keep an induced hydraulic fracture open under ground pressure and thus enhance oil recovery

R&D

Research and development

RAS

Russian Accounting Standards

Refinery

Oil refinery

Regular management practices

Executive tools designed to improve efficiency and safety of production facilities. They rely on clearly defined algorithms and implementation principles and apply at all levels of company management. Regular management practices help embed the Company's values and develop a cultural environment conducive to achieving its strategic goals

ROACE

Return on average capital employed, calculated as net profit (less dividends on shares) divided by the average number of ordinary shares

SEC

U.S. Securities and Exchange Commission

Seismic

Seismic survey

Underbalanced drilling

Drilling technique where the reservoir pressure is higher than the pressure in the wellbore. The pressure difference minimises formation damage and increases the rate of penetration and oil recovery rate

US GAAP

Generally Accepted Accounting Principles approved in the US

USA

United States of America

VAT

Value-added tax