



Naftna industrija Srbije A.D.

**Interim Condensed Consolidated Financial
Statements (Unaudited)**

31 March 2020

This version of the financial statements is a translation from the original, which is prepared in Serbian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original Serbian language version of the document takes precedence over this translation

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NIS Group
Interim Condensed Consolidated Statement of Financial Position

(All amounts are in 000 RSD, unless otherwise stated)

Assets	Note	31 March 2020	31 December 2019
		<i>(unaudited)</i>	
Current assets			
Cash and cash equivalents	5	8,884,586	15,295,810
Short-term financial assets	6	168,076	1,766,518
Trade and other receivables	7	23,750,316	26,298,314
Inventories	8	40,384,267	47,479,934
Current income tax prepayments		1,646,888	602,249
Other current assets	9	6,701,736	5,475,677
Non-current assets held for sale		139,322	88,416
Total current assets		81,675,191	97,006,918
Non-current assets			
Property, plant and equipment	10	307,225,487	305,934,567
Right-of-use assets	11	2,456,091	1,873,799
Investment property		1,579,733	1,579,798
Goodwill and other intangible assets		4,510,977	4,461,623
Investments in associates and joint ventures	12	1,795,363	1,851,101
Trade and other non-current receivables		152,472	227,491
Long-term financial assets		266,547	269,551
Deferred tax assets		866,673	697,689
Other non-current assets	13	1,246,054	1,291,407
Total non-current assets		320,099,397	318,187,026
Total assets		401,774,588	415,193,944
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	14	9,094,971	6,612,777
Current lease liabilities	19	511,524	377,005
Trade and other payables	15	23,661,804	39,463,261
Other current liabilities	16	7,957,211	7,198,105
Other taxes payable	17	9,364,096	9,794,045
Provisions for liabilities and charges		1,557,386	1,591,898
Total current liabilities		52,146,992	65,037,091
Non-current liabilities			
Long-term debt	18	81,639,667	82,716,496
Non-current lease liabilities	19	1,791,734	1,326,436
Other non-current financial liabilities	20	841,303	-
Long-term trade and other payables		9,856	-
Provisions for liabilities and charges		11,650,387	11,419,129
Total non-current liabilities		95,932,947	95,462,061
Equity			
Share capital		81,530,200	81,530,200
Reserves		333,271	271,614
Retained earnings		171,811,500	173,153,889
Equity attributable to the Company's owners		253,674,971	254,955,703
Non-controlling interest		19,678	(260,911)
Total equity		253,694,649	254,694,792
Total liabilities and shareholder's equity		401,774,588	415,193,944

Kirill Tyurdenev
 Chief Executive Officer
 24 April 2020



Anton Cherepanov
 Chief Financial Officer

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

NIS Group
Interim Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

(All amounts are in 000 RSD, unless otherwise stated)

	Note	Three month period ended 31 March	
		2020 <i>(unaudited)</i>	2019 <i>(unaudited)</i>
Sales of petroleum products, oil and gas		49,778,153	50,836,498
Other revenues		2,788,785	2,674,694
Total revenue from sales	4	52,566,938	53,511,192
Purchases of oil, gas and petroleum products		(34,021,960)	(34,508,679)
Production and manufacturing expenses	21	(5,548,634)	(5,508,132)
Selling, general and administrative expenses	22	(6,211,630)	(5,649,988)
Transportation expenses		(278,455)	(248,107)
Depreciation, depletion and amortization		(5,490,034)	(5,094,972)
Taxes other than income tax		(1,340,564)	(1,263,355)
Exploration expenses		(3,579)	(11,474)
Total operating expenses		(52,894,856)	(52,284,707)
Other income (expenses), net		(76,080)	(67,656)
Operating profit (loss)		(403,998)	1,158,829
Share of loss of associates and joint ventures		(55,738)	(19,206)
Net foreign exchange gain (loss)	23	(318,764)	(204,360)
Finance income	24	36,454	107,806
Finance expenses	25	(436,375)	(494,400)
Total other expense		(774,423)	(610,160)
Profit (loss) before income tax		(1,178,421)	548,669
Current income tax expense		(52,347)	(186,141)
Deferred tax income (expense)		168,968	(204,401)
Total income tax expense		116,621	(390,542)
Profit (loss) for the period		(1,061,800)	158,127
Other comprehensive income (loss):			
Items that will not be reclassified to profit			
Gains (loss) from investments in equity instruments		(981)	6,410
		(981)	6,410
Items that may be subsequently reclassified to profit			
Currency translation differences		62,638	126,633
		62,638	126,633
Other comprehensive income (loss) for the period		61,657	133,043
Total comprehensive income (loss) for the period		(1,000,143)	291,170
Profit (loss) attributable to:			
- Shareholders of Naftna Industrija Srbije		(1,061,800)	162,308
- Non-controlling interest		-	(4,181)
Profit (loss) for the period		(1,061,800)	158,127
Total comprehensive income (loss) attributable to:			
- Shareholders of Naftna Industrija Srbije		(1,000,143)	294,852
- Non-controlling interest		-	(3,682)
Total comprehensive income (loss) for the period		(1,000,143)	291,170
Earnings (loss) per share attributable to shareholders of Naftna Industrija Srbije		(6.51)	1.00
Basic earnings (RSD per share)			
Weighted average number of ordinary shares in issue (in millions)		163	163

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

NIS Group
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
 Three month period ended 31 March 2020 and 2019

(All amounts are in 000 RSD, unless otherwise stated)

	Equity attributable to the Company's owners			Non-	Total
	Share capital	Reserves	Retained earnings	controlling interest	equity
<i>(unaudited)</i>					
Balance as at 1 January 2019	81,530,200	77,130	161,516,302	(247,828)	242,875,804
Profit (loss) for the period	-	-	162,308	(4,181)	158,127
Other comprehensive income (loss)					
Gains from investments in equity instruments	-	6,410	-	-	6,410
Currency translation differences	-	126,134	-	499	126,633
Total comprehensive income (loss) for the period					
Balance as at 31 March 2019	81,530,200	209,674	161,678,610	(251,510)	243,166,974

	Equity attributable to the Company's owners			Non-	Total
	Share capital	Reserves	Retained earnings	controlling interest	equity
<i>(unaudited)</i>					
Balance as at 1 January 2020	81,530,200	271,614	173,153,889	(260,911)	254,694,792
Profit (loss) for the period	-	-	(1,061,800)	-	(1,061,800)
Other comprehensive income (loss)					
Loss from investments in equity instruments	-	(981)	-	-	(981)
Currency translation differences	-	62,638	-	-	62,638
Total comprehensive income (loss) for the period					
New investments in shares	-	61,657	(1,061,800)	-	(1,000,143)
Total transactions with owners					
Balance as at 31 March 2020	81,530,200	333,271	171,811,500	19,678	253,694,649

NIS Group
Interim Condensed Consolidated Statement of Cash Flows¹
(All amounts are in 000 RSD, unless otherwise stated)

	Note	Three month period ended	
		31 March	
		2020	2019
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit (loss) before income tax		(1,178,421)	548,669
Adjustments for:			
Share of loss of associates and joint ventures		55,738	19,206
Finance expenses	25	436,375	494,400
Finance income	24	(36,454)	(107,806)
Net unrealised foreign exchange loss, net		83,610	(188,305)
Depreciation, depletion and amortization		5,490,034	5,094,972
Other non-cash items		131,919	100,653
Operating cash flow before changes in working capital		4,982,801	5,961,789
Changes in working capital:			
Accounts receivable		2,666,301	436,629
Inventories		7,090,131	8,007,653
Other assets		(1,233,739)	476,382
Accounts payables and other current liabilities		(13,206,458)	(2,852,629)
Taxes payable		(430,634)	555,685
Total effect on working capital changes		(5,114,399)	6,623,720
Income taxes paid		(1,099,279)	(960,457)
Interest paid		(367,384)	(382,469)
Interest received		38,980	60,962
Net cash (used in)/generated from operating activities		(1,559,281)	11,303,545
Cash flows from investing activities			
Net cash outflow on acquisition of subsidiaries	20	(41)	-
Capital expenditures ²		(8,621,734)	(9,263,303)
Proceeds from sale of property, plant and equipment		88,416	15,103
Bank deposits repayment (placements), net		1,598,297	(1,481,707)
Other outflow		(17,638)	(23,855)
Net cash used in investing activities		(6,952,700)	(10,753,762)
Cash flows from financing activities			
Proceeds from borrowings	14,18	3,465,953	2,210,246
Repayment of borrowings	14,18	(1,201,932)	(3,767,631)
Repayment of lease liabilities	19	(96,626)	(82,588)
Net cash generated from (used in) financing activities		2,167,395	(1,639,973)
Net decrease in cash and cash equivalents		(6,344,586)	(1,090,190)
Effect of foreign exchange on cash and cash equivalents		(66,638)	19,713
Cash and cash equivalents as of the beginning of the period		15,295,810	15,480,830
Cash and cash equivalents as of the end of the period		8,884,586	14,410,353

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

¹ Group policy is to present cash flow inclusive of related VAT.

² CF from investing activities includes VAT in the amount of 0,9 bln RSD (2019: 1,0 bln RSD)

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

1. GENERAL INFORMATION

Open Joint Stock Company Naftna Industrija Srbije (the "Company") and its subsidiaries (together refer to as the "Group") is a vertically integrated oil company operating predominantly in Serbia. The Group's principal activities include:

- Exploration, production and development of crude oil and gas,
- Production of refined petroleum products,
- Petroleum products and gas trading and
- Electricity generation and trading.

Other activities primarily include sales of other goods, works and services.

The Company was established in accordance with the Decision of Government of Republic of Serbia on 7 July 2005. On 2 February 2009 PJSC Gazprom Neft ("Gazprom Neft") acquired a 51% of the share capital of Naftna Industrija Srbije which became a subsidiary of Gazprom Neft. In March 2011, under the Company's Share Sale and Purchase Agreement, Gazprom Neft acquired an additional 5.15% of shares, thereby increasing its percentage of ownership to 56.15%. PJSC Gazprom, Russian Federation is the ultimate owner of the Group.

The Company is an open joint stock company, listed on the prime market on the Belgrade Stock Exchange.

These Interim Condensed Consolidated Financial Statements have been approved and authorized for issue by Chief Executive Officer and will be presented to Board of Directors for approval.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Group maintains its books and records in accordance with accounting and taxation principles and practices mandated by legislation in the countries in which it operates (primarily Serbian). The accompanying Interim Condensed Consolidated Financial Statements were primarily derived from the Group's statutory books and records with adjustments and reclassifications made to present them in accordance with International Financial Reporting Standards (IFRS).

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard **IAS 34 Interim Financial Reporting**. IAS 34 for interim financial reporting does not require all disclosures that would be necessarily required by IFRS.

The Group does not disclose information which would substantially duplicate the disclosures contained in its audited Consolidated Financial Statements for 2019, such as significant accounting policies, significant estimates and judgements, financial risk disclosures or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Group believes that the disclosures in these Interim Condensed Consolidated Financial Statements are adequate to make the information presented not misleading if these Interim Condensed Consolidated Financial Statements are read in conjunction with the Group's Consolidated Financial Statements for 2019.

However, the spread of the coronavirus pandemic (COVID-19) and the preventive measures which led to decrease in the economic activity of market participants in the first quarter of 2020, as well as significant volatility in the commodity markets (including the decrease in oil prices) while, on the other hand, local currency RSD maintained a relatively stable against the US dollar (USD) and EURO (EUR)), since March 2020, have impacted the accounting estimates used by the Group in the Condensed Interim Consolidated Financial Statements preparation and bear the risk of adjustments to the carrying amounts of assets and liabilities. Information on the effect of these macroeconomic factors on the estimates with the greatest impact on the amounts reflected in these Condensed Interim Consolidated Financial Statements is provided below.

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

Recoverability of carrying amount of Property, Plant and Equipment

In the line with changes of macroeconomic parameters, management of the Group performed stress sensitivity analysis of its impact on recoverability of the Group PPE and overall business performance (note 10).

The macroeconomic factors mentioned above were taken into account when preparing business plans (models), which are the main source of information for measuring the value in use of non-current assets, including when preparing oil price dynamics.

Based on the currently available information and crude oil price forecast obtained from a reputable firms management believe that at reporting date recoverable amount of Group's PPE exceed its carrying value.

Estimation of oil and gas reserves

The estimation of proved reserves of oil and gas reserves is used to calculate depreciation, depletion and amortization of oil and gas assets. In addition, the assessment of proved oil and gas reserves is used to calculate future cash flows, which are one of the main indicators of whether an asset is impaired. Oil and gas reserves are estimated based on certain assumptions of the Group, including the economic profitability of production, which is affected by the dynamics of oil prices and future capital and operating expenses. The macroeconomic factors mentioned above may lead to a downward revision of the inventory estimate. The Group intention is to assess the macroeconomic factors impact on the amount of reserves in the next reporting periods.

These macroeconomic factors also affected the fair value of financial assets and financial liabilities that are carried at fair value or amortised cost (note 26).

While this is still an evolving situation at the time of issuing these financial statements and the future effects cannot be predicted, the management expects a negative impact. Management will continue to monitor the potential impact in order to adequately take measure to mitigate impact if the negative trends on the market continue.

Subsequent events occurring after 31 March 2020 were evaluated through 24 April 2020, the date these Interim Condensed Consolidated Financial Statements were authorised for issue.

The results for the three month period ended 31 March 2020 are not necessarily indicative of the results expected for the full year.

The Group as a whole is not subject to significant seasonal fluctuations.

2.2. Changes in significant accounting policies

Significant accounting policies, judgements and estimates applied while preparing these Interim Condensed Consolidated Financial Statements are consistent with those applied during the preparation of Consolidated Financial Statements as of and for the year ended 31 December 2019, except for those described in the Application of new IFRS paragraph.

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

3. NEW ACCOUNTING STANDARDS

Application of new IFRS

The following amendments to the existing standards which become effective did not have any material impact on the Group:

- Amendments to the Conceptual Framework for Financial Reporting (issued in March 2018 and effective for annual periods beginning on or after 1 January 2020);
- Definition of a Business – Amendments to IFRS 3 (issued in October 2018 and effective for annual periods beginning on or after 1 January 2020);
- Definition of Material – Amendments to IAS 1 and IAS 8 (issued in October 2018 and effective for annual periods beginning on or after 1 January 2020);
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (issued in September 2019 and effective for annual periods beginning on or after January 2020).

New accounting standards

The following new standards and amendments to the existing standards are not expected to have any material impact on the Group when adopted:

- IFRS 17 – Insurance Contracts (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021);
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB);
- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 (issued in January 2020 and effective for annual periods beginning on or after January 2022).

Unless otherwise described above, the new standards and interpretations are not expected to have significant impact on the Company's Interim Condensed Financial Statements.

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020***(All amounts are in 000 RSD, unless otherwise stated)***4. SEGMENT INFORMATION**

Presented below is information about the Group's operating segments for the three month periods ended 31 March 2020 and 2019. Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available.

The Group manages its operations in 2 operating segments: Upstream and Downstream.

Upstream segment (exploration and production) includes the following Group operations: exploration, development and production of crude oil and natural gas and oil field services. Downstream segment (refining and marketing) processes crude oil into refined products and purchases, sells and transports crude and refined petroleum products. Corporate centre and Energy business activities are presented within the Downstream segment.

Eliminations and other adjustments section encompasses elimination of inter-segment sales and related unrealised profits, mainly from the sale of crude oil and products, and other adjustments. Intersegment revenues are based upon estimated market prices.

EBITDA represents the Group's EBITDA. Management believes that EBITDA represents useful means of assessing the performance of the Group's on-going operating activities, as it reflects the Group's earnings trends without showing the impact of certain charges. EBITDA is defined as earnings before interest, income tax expense, depreciation, depletion and amortization, finance income (expenses) net and other non-operating income (expenses). EBITDA is a supplemental non-IFRS financial measure used by management to evaluate operations.

Reportable segment results for the three month period ended 31 March 2020 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	9,789,657	52,284,778	(9,507,497)	52,566,938
Intersegment	9,341,420	166,077	(9,507,497)	-
External	448,237	52,118,701	-	52,566,938
EBITDA (Segment results)	5,276,808	(105,091)	-	5,171,717
Depreciation, depletion and amortization	(3,055,082)	(2,434,952)	-	(5,490,034)
Share of loss of associates and joint ventures	-	(55,738)	-	(55,738)
Net foreign exchange (loss) gain	(131,312)	(187,452)	-	(318,764)
Finance expenses, net	(20,688)	(379,233)	-	(399,921)
Income tax	(44,834)	161,455	-	116,621
Segment profit (loss)	1,892,562	(2,954,362)	-	(1,061,800)

Reportable segment results for the three month period ended 31 March 2019 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	11,285,187	53,826,691	(11,600,686)	53,511,192
Intersegment	11,262,768	337,918	(11,600,686)	-
External	22,419	53,488,773	-	53,511,192
EBITDA (Segment results)	8,319,250	(2,029,671)	-	6,289,579
Depreciation, depletion and amortization	(2,855,936)	(2,239,036)	-	(5,094,972)
Share of loss of associates and joint ventures	-	(19,206)	-	(19,206)
Net foreign exchange loss	(160,743)	(43,617)	-	(204,360)
Finance expenses, net	(55,405)	(331,189)	-	(386,594)
Income tax	(43,096)	(347,446)	-	(390,542)
Segment profit (loss)	5,207,329	(5,049,202)	-	158,127

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

EBITDA for the three month period ended 31 March 2020 and 2019 is reconciled below:

	Three month period ended 31 March	
	2020	2019
Profit (Loss) for the period	(1,061,800)	158,127
Income tax	(116,621)	390,542
Finance expenses	436,375	494,400
Finance income	(36,454)	(107,806)
Depreciation, depletion and amortization	5,490,034	5,094,972
Share of loss of associates and joint ventures	55,738	19,206
Net foreign exchange (gain) loss	318,764	204,360
Other expense (income), net	76,080	67,656
Other non-operating expense (income), net	9,601	(31,878)
EBITDA	5,171,717	6,289,579

Oil, gas and petroleum products sales comprise the following (based on the country of customer incorporation):

	Three month period ended 31 March 2020		
	Domestic market	Export and international sales	Total
Sale of crude oil	-	416,925	416,925
Sale of gas	50,928	-	50,928
<i>Through a retail network</i>	-	-	-
<i>Wholesale activities</i>	50,928	-	50,928
Sale of petroleum products	36,982,975	12,327,325	49,310,300
<i>Through a retail network</i>	14,165,063	3,565,133	17,730,196
<i>Wholesale activities</i>	22,817,912	8,762,192	31,580,104
Sale of electricity	192,663	45,223	237,886
Lease revenue	75,097	1,054	76,151
Other sales	1,792,161	682,587	2,474,748
Total sales	39,093,824	13,473,114	52,566,938

	Three month period ended 31 March 2019		
	Domestic market	Export and international sales	Total
Sale of crude oil	-	-	-
Sale of gas	817,154	-	817,154
<i>Through a retail network</i>	-	-	-
<i>Wholesale activities</i>	817,154	-	817,154
Sale of petroleum products	38,127,130	11,892,214	50,019,344
<i>Through a retail network</i>	13,774,276	3,720,381	17,494,657
<i>Wholesale activities</i>	24,352,854	8,171,833	32,524,687
Sale of electricity	218,308	33,338	251,646
Lease revenue	105,683	2,454	108,137
Other sales	1,549,994	764,917	2,314,911
Total sales	40,818,269	12,692,923	53,511,192

Out of the amount of 31,580,104 RSD (2019: 32,524,687 RSD) revenue from sale of petroleum products (wholesale), the amount of 4,873,751 RSD (2019: 3,827,301 RSD) are derived from a single domestic customer HIP Petrohemija. These revenue are attributable to wholesale activities within Downstream segment.

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020***(All amounts are in 000 RSD, unless otherwise stated)*

Other sales mainly relate to sales of non-fuel products at petrol stations in the amount of 1,914,541 RSD (2019: 1,856,484 RSD).

All performance obligations related to customers are satisfied at point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation.

The Group is domiciled in the Republic of Serbia. The revenue from external customers in the Republic of Serbia is 39,093,824 RSD (2019: 40,818,269 RSD), and the total revenue from external customer from other countries is 13,473,114 RSD (2019: 12,692,923 RSD).

The breakdown of the major component of the total revenue from external customers from other countries is disclosed below:

	Three month period ended	
	31 March	
	2020	2019
Sale of crude oil	416,925	-
Sale of petroleum products (retail and wholesale)		
Bulgaria	2,962,760	3,067,992
Bosnia and Herzegovina	3,724,476	4,487,477
Romania	2,551,924	2,070,255
Switzerland	154,486	493,165
Croatia	536,471	222,866
Northern Macedonia	272,431	91,020
Hungary	335,237	364,029
Great Britain	361,929	344,711
All other markets	1,427,611	750,699
	12,327,325	11,892,214
Sale of electricity	45,223	33,338
Lease revenue	1,054	2,454
Other sales	682,587	764,917
	13,473,114	12,692,923

Revenues from the individual countries included in all other markets are not material.

Non-current assets, other than financial instruments and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts), by country:

	31 March	31 December
	2020	2019
Serbia	289,689,748	287,838,628
Bulgaria	6,776,130	6,881,442
Bosnia and Herzegovina	7,182,935	7,276,613
Romania	12,123,475	11,853,104
	315,772,288	313,849,787

5. CASH AND CASH EQUIVALENTS

	31 March	31 December
	2020	2019
Cash in bank and in hand	6,136,690	10,953,751
Deposits with original maturity of less than three months	2,528,210	4,063,573
Cash held on escrow account	12,550	13,978
Cash equivalents	207,136	264,508
	8,884,586	15,295,810

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

6. SHORT-TERM FINANCIAL ASSETS

	31 March 2020	31 December 2019
Short-term loans	2,210	2,210
Deposits with original maturity more than 3 months less than 1 year	168,076	1,766,564
Less impairment loss provision	(2,210)	(2,256)
	168,076	1,766,518

As at 31 March 2020 deposits with original maturity more than 3 months less than 1 year amounting to 168,076 RSD (31 December 2019: 1,766,564 RSD) relates to bank deposits placements with interest rates to 0.30% to 2.80% monthly denominated in RSD and EUR (2019: 0.02% monthly to 3.5% p.a. denominated in RSD and EUR).

7. TRADE AND OTHER RECEIVABLES

	31 March 2020	31 December 2019
Trade receivables	32,691,237	35,392,271
Other receivables	568,800	556,593
Accrued assets	72,345	41,567
<i>Less credit loss allowance for trade receivables</i>	(9,530,762)	(9,639,286)
<i>Less credit loss allowance for other receivables</i>	(51,304)	(52,831)
Total trade and other receivables	23,750,316	26,298,314

The Management of the Group regularly assesses the credit quality of trade and other receivables taking into account analysis of ageing profile of receivables and duration of relationships with the Group.

Management believes that not impaired trade and other receivables and other current assets are fully recoverable.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	31 March 2020	31 December 2019
RSD	20,842,873	23,304,560
EUR	842,042	1,111,884
USD	731,531	292,580
Other	1,333,870	1,589,290
	23,750,316	26,298,314

8. INVENTORIES

	31 March 2020	31 December 2019
Crude oil	19,655,881	29,866,109
Petroleum products	17,274,408	14,407,981
Materials and supplies	7,060,750	6,773,096
Other	1,147,616	1,208,732
<i>Less impairment provision</i>	(4,754,388)	(4,775,984)
	40,384,267	47,479,934

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020***(All amounts are in 000 RSD, unless otherwise stated)***9. OTHER CURRENT ASSETS**

	31 March 2020	31 December 2019
Advances paid	623,086	582,560
VAT receivables	243,706	452,571
Deferred VAT	2,131,256	1,929,283
Prepaid expenses	300,218	288,181
Prepaid custom duties	63,414	62,342
Prepaid excise	2,888,227	1,771,927
Other current assets	8,020,244	7,956,935
Less impairment provision	(7,568,415)	(7,568,122)
	6,701,736	5,475,677

Deferred VAT as at 31 March 2020 amounting to 2,131,256 RSD (31 December 2019: 1,929,283 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

Prepaid excise as at 31 March 2020 amounting to 2,888,227 RSD (31 December 2019: 1,771,927 RSD) relates to the excise paid for finished products stored in non-excise warehouse.

Other current assets mainly relate to claims in dispute which are impaired.

(All amounts are in 000 RSD, unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
As at 1 January 2019						
Cost	166,462,451	115,028,154	69,909,749	19,153,698	54,204,141	424,758,193
Depreciation and impairment	(47,674,989)	(46,153,659)	(32,557,309)	(9,886,290)	(2,031,400)	(138,303,647)
Net book value	118,787,462	68,874,495	37,352,440	9,267,408	52,172,741	286,454,546
Period ended 31 March 2019						
Additions	-	-	-	194	9,496,438	9,496,632
Changes in decommissioning obligations	26,481	-	-	-	-	26,481
Transfer from assets under construction	5,132,646	88,979	296,230	394,373	(5,912,228)	-
Impairment	-	-	(14,249)	-	(13,039)	(27,288)
Depreciation	(2,693,931)	(1,349,519)	(610,853)	(204,355)	(1,192)	(4,859,850)
Disposals and write-off	9,699	(614)	(5,899)	(6,057)	(66,972)	(69,843)
Transfer to right-of-use assets	(54,331)	-	(765,074)	-	-	(819,405)
Other transfers	(29,417)	757	1,212	(4,204)	32,593	941
Translation differences	(7)	-	(83,244)	197	(143,473)	(226,527)
As at 31 March 2019	121,178,602	67,614,098	36,170,563	9,447,556	55,564,868	289,975,687
As at 1 January 2020						
Cost	171,478,052	115,109,143	68,993,896	19,539,085	57,613,992	432,734,168
Depreciation and impairment	(50,299,450)	(47,495,045)	(32,823,333)	(10,091,529)	(2,049,124)	(142,758,481)
Net book value	121,178,602	67,614,098	36,170,563	9,447,556	55,564,868	289,975,687
Period ended 31 March 2020						
Cost	185,208,089	119,078,761	70,157,189	19,406,385	69,075,268	462,925,692
Depreciation and impairment	(58,573,177)	(51,705,166)	(34,354,810)	(10,321,625)	(2,036,347)	(156,991,125)
Net book value	126,634,912	67,373,595	35,802,379	9,084,760	67,038,921	305,934,567
Period ended 31 March 2020						
Additions	-	-	-	-	6,700,315	6,700,315
Changes in decommissioning obligations	65,848	-	-	-	-	65,848
Transfer from assets under construction	4,257,704	1,333,748	745,777	100,279	(6,437,508)	-
Impairment	-	-	(3,031)	-	(10,411)	(13,442)
Depreciation	(2,969,420)	(1,459,296)	(604,760)	(187,259)	(1,182)	(5,221,917)
Disposals and write-off	(207)	(4,431)	(26,218)	(4,087)	(10,322)	(45,265)
Other transfers	(43,603)	(272,780)	34,666	211,001	4,202	(66,514)
Translation differences	(3)	-	(36,162)	(13)	(91,927)	(128,105)
As at 31 March 2020	127,945,231	66,970,836	35,912,651	9,204,681	67,192,088	307,225,487
Cost	189,437,548	120,095,527	70,855,460	19,501,064	69,226,846	469,116,445
Depreciation and impairment	(61,492,317)	(53,124,691)	(34,942,809)	(10,296,383)	(2,034,758)	(161,890,958)
Net book value	127,945,231	66,970,836	35,912,651	9,204,681	67,192,088	307,225,487

Capitalized borrowing costs for the three months ended 31 March 2020 include interest expense in the amount of 36,250 RSD (31 March 2019: 41,081 RSD).

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

11. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the three months ended 31 March 2020 and 2019 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2019	-	-	-	-	-
Change in opening balance	153,119	1,261,439	335,712	85,151	1,835,421
Depreciation of right-of-use assets	-	(64)	(18)	(6)	(88)
Foreign currency translation	-	(6)	-	-	(6)
As at 31 March 2019	153,119	1,192,150	317,550	79,322	1,742,141
As at 1 January 2020	148,676	1,023,199	438,495	263,429	1,873,799
Additions	7,509	86,155	-	601,560	695,224
Depreciation of right-of-use assets	(626)	(60,425)	(17,938)	(25,633)	(104,622)
Disposals	-	(1,897)	-	(4,518)	(6,415)
Foreign currency translation	(1,531)	1,694	(1,995)	(63)	(1,895)
As at 31 March 2020	154,028	1,048,726	418,562	834,775	2,456,091

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The carrying values of the investments in associates and joint ventures as of 31 March 2020 and 31 December 2019 are summarised below:

		Ownership percentage	31 March 2020	31 December 2019
NIS MET Energowind d.o.o. Beograd	Joint venture	50%	938,712	946,208
Gazprom Energoholding Serbia d.o.o. Novi Sad	Joint venture	49%	856,651	904,893
HIP Petrohemija a.d. Pančevo	Associate	20.86%	11,572,197	11,572,197
Less Impairment provision			(11,572,197)	(11,572,197)
Total investments			1,795,363	1,851,101

The principal place of business of joint ventures disclosed above is Republic of Serbia.

There are no contingent liabilities relating to the Group's interest in the joint venture, and no contingent liabilities of the venture itself.

NIS MET Energowind d.o.o. Beograd

In 2013 the Group acquired 50% of interest in a joint venture Energowind d.o.o. which was intended to be used as a vehicle for operation of future wind farm "Plandiste" with total capacity of 102 MW. During March 2019, MET Renewables AG acquired from third parties 50% of share in the project and became a joint partner on the project that has been renamed to NIS MET Energowind d.o.o. Beograd. On the date of the issuance of these Consolidated Financial Statements there has been no significant business activity. NIS MET Energowind d.o.o. is a private company and there is no available quoted market price.

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

Gazprom Energoholding Serbia d.o.o. Novi Sad

In 2015, the Group and Centrenergoholding JSC Russian Federation established the holding company Serbskaya Generaciya, through which they would jointly operate with the Thermal and Heating Power Plant Gazprom Energoholding Serbia "TE-TO" Pancevo with a projected capacity of 208 MW. In October 2017 the contract with Shanghai Electric Group Co., Ltd. was signed on a "turnkey" basis and the design phase started. The project is mostly financed from the loan from Gazprombank (140 mln EUR) with the loan tenor of 12 years. Handing over CHP TE-TO Pancevo is expected to be completed by the 30th August 2020. Analysis of the influence of the coronavirus pandemic (COVID-19) to completion of the project is in progress. A significant extension is not expected.

HIP Petrohemija

In accordance with the laws in force in the Republic of Serbia, at the beginning of October 2017 all the conditions were met for the full implementation of the earlier prepared plan for restructuring of the company HIP Petrohemija a.d. Pancevo. In accordance with the adopted plan, the structure of the share capital of the company HIP Petrohemija has been changed, whereby NIS increased its equity interest. After conversion, NIS holds, directly more than 20,86% per cent of the voting power of the HIP Petrohemija. Also, NIS has representatives on the BoD and Supervisory board.

The summarised financial information for the joint ventures as of 31 March 2019 and 31 December 2019 and for the years ended 31 March 2020 and 31 March 2019 is presented in the table below:

	NIS MET Energowind	Gazprom Energoholding Serbia
31 March 2020		
Current assets	89,085	741,529
Non-current assets	3,157,412	13,303,954
Current liabilities	(953,809)	(345,370)
Non-current liabilities	-	(11,980,349)
31 December 2019		
Current assets	132,063	698,256
Non-current assets	3,151,318	12,154,427
Current liabilities	(975,707)	(71,219)
Non-current liabilities	-	(10,963,037)
	NIS MET Energowind	Gazprom Energoholding Serbia
31 March 2020		
Other income	1,014	1,583
Loss for the year	(14,992)	(98,454)
31 March 2019		
Other income	-	8,717
Loss for the year	(2,381)	(36,766)

13. OTHER NON-CURRENT ASSETS

	31 March 2020	31 December 2019
Advances paid for PPE	341,420	372,107
Prepaid expenses	139,537	146,711
Other assets	1,159,870	1,153,957
<i>Less allowance of other assets</i>	(368,036)	(354,626)
<i>Less allowance for advances paid</i>	(26,737)	(26,742)
	1,246,054	1,291,407

14. SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT

	31 March 2020	31 December 2019
Short-term loans	3,000,000	-
Interest liabilities	115,253	227,885
Current portion of long-term loans (note 18)	5,979,718	6,384,892
	9,094,971	6,612,777

Movements on the Group's liabilities from short-term finance activities are as follows:

	Three month period ended 31 March	
	2020	2019
Short-term loans at 1 January	-	-
Proceeds	3,000,000	-
Short-term loans at 31 March	3,000,000	-

15. TRADE AND OTHER PAYABLES

	31 March 2020	31 December 2019
Trade payables	19,811,707	35,535,376
Dividends payable	3,779,813	3,780,692
Other accounts payable	70,284	147,193
	23,661,804	39,463,261

As at 31 March 2020 trade payables amounting to 19,811,707 RSD (31 December 2019: 35,535,376 RSD) mainly relate to payables for crude oil in the amount of 8,099,127 RSD (31 December 2019: 19,989,597 RSD), to the most significant suppliers Gazprom Neft, St Petersburg in the amount of 5,251,934 RSD (31 December 2019 10,240,742 RSD) and Petraco Oil Company LLP, London in the amount of 1,518,247 RSD (31 December 2019 0 RSD).

16. OTHER CURRENT LIABILITIES

	31 March 2020	31 December 2019
Contract liabilities arising from contracts with customers:		
- Advances received	1,834,165	1,982,331
- Customer loyalty	732,113	722,239
Payables to employees	5,371,304	4,130,242
Other current non-financial liabilities	19,629	363,293
	7,957,211	7,198,105

Revenue in the amount of 1,648,542 RSD was recognized in the current reporting period (31 March 2019: 1,101,497 RSD) related to the contract liabilities as at 1 January 2020, of which 1,406,163 RSD (31 March 2019: 988,908 RSD) related to advances and 242,379 RSD (31 March 2019: 112,589 RSD) to customer loyalty programme.

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020***(All amounts are in 000 RSD, unless otherwise stated)***17. OTHER TAXES PAYABLE**

	31 March 2020	31 December 2019
Mineral extraction tax	281,801	248,864
VAT	1,004,124	1,137,119
Excise tax	5,274,172	5,750,900
Contribution for buffer stocks	250,620	280,070
Custom duties	84,578	180,224
Energy efficiency fee	27,913	32,299
Other taxes	2,440,888	2,164,569
	9,364,096	9,794,045

18. LONG-TERM DEBT

	31 March 2020	31 December 2019
Long-term loan - Gazprom Neft	17,971,791	19,143,014
Bank loans	69,585,670	69,901,198
Other long-term borrowings	61,924	57,176
Less Current portion (note 14)	(5,979,718)	(6,384,892)
	81,639,667	82,716,496

Movements on the Group's liabilities from finance activities are as follows:

	Three month period ended 31 March	
	2020	2019
Long-term loans at 1 January	89,044,212	93,344,087
Proceeds	465,953	2,210,246
Repayment	(1,201,932)	(3,767,631)
Non-cash transactions	(693,188)	-
Foreign exchange difference (note 23)	(57,584)	(143,326)
Long-term loans at 31 March	87,557,461	91,643,376

(a) Long-term loan - Gazprom Neft

As at 31 March 2020 long-term loan - Gazprom Neft amounting to 17,971,791 RSD (2019: 19,143,014 RSD), with current portion of 5,674,839 RSD (2019: 5,469,432 RSD), relate to loan from Gazprom Neft granted based on the Agreement for Sale and Purchase of shares signed on 24 December 2008. The stated liabilities shall be settled in quarterly instalments starting from December 2012 until 15 May 2023.

(b) Bank loans

	31 March 2020	31 December 2019
Domestic	47,244,514	46,832,409
Foreign	22,341,156	23,068,789
	69,585,670	69,901,198
Current portion of long-term loans	(304,879)	(915,460)
	69,280,791	68,985,738

The maturity of bank loans was as follows:

	31 March 2020	31 December 2019
Between 1 and 2 years	10,934,656	10,845,263
Between 2 and 5 years	55,110,012	54,813,261
Over 5 years	3,236,123	3,327,214
	69,280,791	68,985,738

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020***(All amounts are in 000 RSD, unless otherwise stated)*

The carrying amounts of bank and other long-term loans are denominated in the following currencies:

	31 March 2020	31 December 2019
USD	195,034	209,292
EUR	69,142,408	69,426,390
RSD	473	499
JPY	247,755	265,017
	69,585,670	69,901,198

The Group repays loans in accordance with agreed dynamics, i.e. determined annuity plans. The Group has both fixed and floating interest rates with the creditors. Floating interest rates are connected with Euribor and Libor. Management expects that the Group will be able to fulfil its obligations within agreed timeframe.

The loan agreements contain financial covenants that require the Group's ratio of Consolidated Indebtedness to Consolidated EBITDA. Management believes the Group is in compliance with these covenants as of 31 March 2020 and 31 December 2019, respectively.

19. LEASE LIABILITIES

	31 March 2020	31 December 2019
Non-current lease liabilities	1,791,734	1,326,436
Current lease liabilities	511,524	377,005
	2,303,258	1,703,441

Amounts recognized in profit and loss:

	Three month period ended 31 March	
	2020	2019
Interest expense (included in finance cost)	20,584	17,757
Expense relating to short-term leases	250,116	196,146
Expense relating to leases of low value assets that are not shown above as short-term leases	57,125	12,853
Expense relating to variable lease payments not included in lease liabilities	436,886	376,190

Movements on the Group's liabilities from lease activities are as follows:

	Three month period ended 31 March	
	2020	2019
As at 1 January	1,703,441	828,104
Changes in opening balance	-	790,946
Repayment	(96,626)	(82,588)
Non-cash transactions	704,073	12,713
Foreign exchange difference (note 23)	(7,630)	3,599
As at 31 March	2,303,258	1,552,774

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020***(All amounts are in 000 RSD, unless otherwise stated)***20. OTHER NON-CURRENT FINANCIAL LIABILITIES**

Other non-current financial liabilities in amount of 841,303 RSD in total represents deferred consideration to PJSC Zarubeznjeft (further ZN) for O&G exploration project that is ongoing through subsidiary Jadran Naftagas. This obligation depends on occurrence of uncertain future events that are beyond the control of both the issuer (ZN) and a holder of instrument (NIS). In accordance with Novation agreement and Assignment agreement concluded between ZN, NIS and Jadran Naftagas, all ZN rights and obligations are assigned to NIS for consideration equal to outstanding loan liabilities of Jadran Naftagas towards ZN and Naftegazinkor prior the novation. Consideration cannot exceed the amount of said liabilities.

In addition, Company acquired additional 34% of shares in Jadran Naftagas for consideration of 41 RSD. These transactions of shares acquisition and transfer of liabilities should be consider together.

21. PRODUCTION AND MANUFACTURING EXPENSES

	Three month period ended 31 March	
	2020	2019
Employee costs	1,922,943	1,575,993
Cost of service organization	414,883	654,998
Materials and supplies (other than oil and gas and petroleum products)	508,833	629,890
Repair and maintenance services	959,161	1,279,906
Electricity and utilities	1,051,192	775,506
Safety and security expense	116,103	154,339
Transportation services for production	428,160	358,242
Other	147,359	79,258
	5,548,634	5,508,132

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 31 March	
	2020	2019
Employee costs	3,573,367	2,857,318
Cost of service organization	673,519	887,432
Commission and agency fees	228,235	241,131
Legal, audit and consulting services	223,677	130,247
Current repair cost	208,017	177,998
Costs on advertising and marketing	55,063	52,742
Rent expense	55,602	47,432
Business trips expense	37,060	49,800
Safety and security expense	139,147	129,998
Insurance expense	20,500	32,024
Transportation and storage	41,866	32,678
Allowance for doubtful accounts	(120,102)	(13,948)
Other	1,075,679	1,025,136
	6,211,630	5,649,988

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

23. NET FOREIGN EXCHANGE GAIN (LOSS)

	Three month period ended 31 March	
	2020	2019
Foreign exchange gain (loss) on financing activities including:		
- foreign exchange gain (note 18 and 19)	272,366	402,935
- foreign exchange loss (note 18 and 19)	(207,152)	(263,208)
Net foreign exchange gain (loss) on operating activities	<u>(383,978)</u>	<u>(344,087)</u>
	<u>(318,764)</u>	<u>(204,360)</u>

24. FINANCE INCOME

	Three month period ended 31 March	
	2020	2019
Interest on bank deposits	33,774	105,093
Interest income on loans issued	2,680	2,713
	<u>36,454</u>	<u>107,806</u>

25. FINANCE EXPENSES

	Three month period ended 31 March	
	2020	2019
Interest expense	471,265	504,564
Decommissioning provision: unwinding of the present value discount	20,803	36,134
Financial assets: unwinding of discount	(19,443)	(5,217)
Less: interest expense capitalised on qualifying assets	(36,250)	(41,081)
	<u>436,375</u>	<u>494,400</u>

Interest expense includes expenses on lease liabilities in the amount of 20,584 RSD for the three months ended 31 March 2020 (17,757 RSD for the three months ended 31 March 2019 accordingly).

26. FAIR VALUE MEASUREMENT

The following assets are measured at fair value in the Interim Condensed Consolidated Financial Statements: investment properties, financial investments classified as available for sale and other non-current financial asset and liabilities. The valuation techniques and inputs used in fair value measurements are on the same basis as disclosed in the Consolidated Financial Statements as of 31 December 2019. There were no transfers between the levels of the fair value hierarchy during the interim period.

As of 31 March 2020 the carrying value of financial assets approximates their fair value.

27. CONTINGENCIES AND COMMITMENTS

Taxes

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Group's management. As result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have rights to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 31 March 2020.

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

Economic environment in the Republic of Serbia

The Group operates primarily in the Republic of Serbia and is therefore exposed to risks related to the state of the economy and financial markets of the Republic of Serbia. Before the pandemic crisis, the country's credit rating was at BB+ level with stable national currency rate. The development of the coronavirus pandemic (COVID-19) in 2020 and the measures taken in this regard to prevent the spread of coronavirus infection lead to negative economic consequences. The Government of the Republic of Serbia has prepared a set of measures to mitigate these negative impacts through delays in payment of tax liabilities, grants and credit arrangements. The situation in the financial markets is currently stable. This operating environment has a significant impact on the Group's operations and financial position.

The management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and the management's current expectations and estimates could differ from actual results.

Environmental protection

Based on an internal assessment of compliance with the Republic of Serbia environmental legislation as at the reporting date, the Group's management recognised an environmental provision in the amount of 499,018 RSD (31 December 2019: 509,129 RSD).

The Group's Management believes that cash outflows related to provision will not be significantly higher than the ones already provided for. However, it is possible that these costs will increase significantly in the future, should the legislation become more restrictive.

Capital commitments

As of 31 March 2020 the Group has entered into contracts to purchase property, plant and equipment 1,747,700 RSD (31 December 2019: 2,809,071 RSD) and drilling and exploration works estimated to 56.04 USD million (31 December 2019: 56.89 USD million).

There were no other material commitments and contingent liabilities of the Group.

28. RELATED PARTY TRANSACTIONS

For the purpose of these Consolidated Financial Statements parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operational decision as defined by IAS 24 Related Party disclosure.

The majority owner of the Group is Gazprom Neft, St Petersburg, Russian Federation, with 56.15% shares of the Company. The second largest shareholder with 29.87% interest is Republic of Serbia, while remaining 13.98% of interest owned by various minority shareholders are traded on the Belgrade Stock Exchange and are owned by various shareholders. PJSC Gazprom, Russian Federation is the ultimate owner of the Group.

In the three month period ended 31 March 2020 and in the same period in 2019, the Group entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to supply/delivery of crude oil, petroleum products and energy.

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020***(All amounts are in 000 RSD, unless otherwise stated)*

As at 31 March 2020 and 31 December 2019 the outstanding balances, presented net of impairment, with related parties were as follows:

	Parent company	Parent's subsidiaries and associates	Associates and joint ventures
As at 31 March 2020			
Trade and other receivables	-	47,118	946,862
Investments in joint venture and associates	-	-	1,795,363
Other current assets	-	11,786	-
Trade and other payables	(5,251,934)	(196,145)	(893,024)
Other current liabilities	-	(2)	(3,303)
Current lease liabilities	-	(139)	-
Short-term debt and current portion of long-term debt	(5,687,492)	-	-
Long-term debt	(12,296,952)	-	-
Non-current lease liabilities	-	(63)	-
	(23,236,378)	(137,445)	1,845,898

	Parent company	Parent's subsidiaries and associates	Associates and joint ventures
As at 31 December 2019			
Trade and other receivables	-	100,451	1,600,151
Investments in joint venture and associates	-	-	1,851,101
Other current assets	-	34,371	-
Trade and other payables	(10,500,427)	(543,563)	(1,208,375)
Other current liabilities	-	(2)	(3,782)
Short-term debt and current portion of long-term debt	(5,469,432)	-	-
Current lease liabilities	-	(159)	-
Long-term debt	(13,673,582)	-	-
Non-current lease liabilities	-	(128)	-
	(29,643,441)	(409,030)	2,239,095

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020***(All amounts are in 000 RSD, unless otherwise stated)*

For the three month period ended 31 March 2020 and 2019 the following transaction occurred with related parties:

	Parent company	Parent's subsidiaries and associates	Associates and joint ventures
Three month period ended 31 March 2020			
Petroleum products and oil and gas sales	-	126,586	4,874,154
Other revenues	-	1,341	10,067
Purchases of oil, gas and petroleum products	(14,647,442)	(264,096)	-
Production and manufacturing expenses	-	(48,494)	(43,914)
Selling, general and administrative expenses	-	(1,707)	(594)
Other income (expenses), net	5,233	(104)	-
Finance expense	(82,536)	-	-
	(14,724,745)	(186,474)	4,839,713

	Parent company	Parent's subsidiaries and associates	Associates and joint ventures
Three month period ended 31 March 2019			
Petroleum products and oil and gas sales	-	121,459	3,827,489
Other revenues	-	17,195	4,136
Purchases of oil, gas and petroleum products	(16,170,749)	(29,765)	-
Production and manufacturing expenses	-	(49,012)	(48,294)
Selling, general and administrative expenses	-	(6,408)	(647)
Other expenses, net	13,320	(94)	-
Finance expense	(110,753)	-	-
	(16,268,182)	53,375	3,782,684

Transactions with Key Management Personnel

For the three month period ended on 31 March 2020 and 2019 the Group recognized 228,485 RSD and 225,797 RSD, respectively, as compensation for key management personnel (Chief Executive Officer, members of the Board of Directors and Advisory Board and Corporate Secretary). Key management remuneration includes salaries, bonuses and other contributions.

Other informations

As at 27 February 2020, the process of voluntary liquidation of the subsidiary Pannon Naftagas KFT Hungary started. No significant impact is expected on Group Consolidated Financial statements.

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2020

(All amounts are in 000 RSD, unless otherwise stated)

NIS Group
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