



Naftna industrija Srbije A.D.

Interim Condensed Financial Statements (Unaudited)

30 June 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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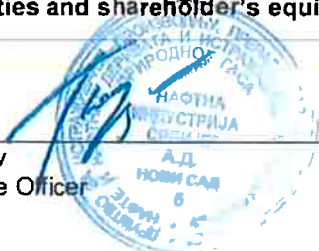
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Interim Condensed Statement of Financial Position

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

Assets	Note	30 June 2020	31 December 2019
Current assets		<i>(unaudited)</i>	
Cash and cash equivalents	5	6,158,918	13,501,827
Short-term financial assets	6	9,386,415	6,445,937
Trade and other receivables	7	22,121,959	28,649,729
Inventories	8	25,391,055	44,092,319
Current income tax prepayments		859,071	647,660
Other current assets	9	5,937,028	4,430,038
Non-current assets held for sale		84,684	91,901
Total current assets		69,939,130	97,859,411
Non-current assets			
Property, plant and equipment	10	279,204,842	276,244,341
Right-of-use assets	11	1,412,698	943,835
Investment property		1,689,059	1,694,307
Intangible assets		2,871,469	2,811,560
Investments in joint venture		1,038,800	1,038,800
Investments in subsidiaries		13,425,627	13,425,586
Trade and other non-current receivables		153,336	227,491
Long-term financial assets	12	20,712,377	23,316,659
Deferred tax assets		1,439,730	962,197
Other non-current assets	13	1,166,578	1,283,233
Total non-current assets		323,114,516	321,948,009
Total assets		393,053,646	419,807,420
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	14	8,057,857	7,451,531
Current lease liabilities	19	321,183	159,332
Trade and other payables	15	24,164,216	40,811,541
Other current liabilities	16	5,256,173	5,951,561
Other taxes payable	17	11,319,503	8,909,634
Provisions for liabilities and charges		2,352,264	1,572,542
Total current liabilities		51,471,196	64,856,141
Non-current liabilities			
Long-term debt	18	82,006,913	82,583,969
Non-current lease liabilities	19	1,030,140	652,092
Other non-current financial liabilities	20	841,817	-
Long-term trade and other payables		4,348	-
Provisions for liabilities and charges		10,627,839	11,251,613
Total non-current liabilities		94,511,057	94,487,674
Equity			
Share capital		81,530,200	81,530,200
Reserves		92,784	93,959
Retained earnings		165,448,409	178,839,446
Total equity		247,071,393	260,463,605
Total liabilities and shareholder's equity		393,053,646	419,807,420

Kirill Tyurdenev
Chief Executive Officer
27 July 2020



Antony Cherepanov
Chief Financial Officer

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

NIS a.d.**Interim Condensed Statement of Profit and Loss and Other Comprehensive Income***(All amounts are in 000 RSD, unless otherwise stated)*

	Note	Three month period ended 30 June		Six month period ended 30 June	
		2020 <i>(unaudited)</i>	2019 <i>(unaudited)</i>	2020 <i>(unaudited)</i>	2019 <i>(unaudited)</i>
Sales of petroleum products, oil and gas		28,533,769	53,964,009	75,054,998	100,270,344
Other revenues		2,123,075	2,193,815	4,269,132	4,183,108
Total revenue from sales	4	30,656,844	56,157,824	79,324,130	104,453,452
Purchases of oil, gas and petroleum products		(22,584,272)	(33,694,900)	(54,266,160)	(64,422,333)
Production and manufacturing expenses	21	(5,133,646)	(6,764,625)	(10,399,341)	(12,138,002)
Selling, general and administrative expenses	22	(4,997,178)	(5,448,048)	(10,235,198)	(10,503,798)
Transportation expenses		(213,553)	(173,181)	(468,977)	(394,579)
Depreciation, depletion and amortization		(5,158,731)	(4,598,729)	(10,173,541)	(9,172,568)
Taxes other than income tax		(978,996)	(1,119,063)	(2,025,128)	(2,179,462)
Exploration expenses		-	-	(3,579)	(11,474)
Total operating expenses		(39,066,376)	(51,798,546)	(87,571,924)	(98,822,216)
Other expenses, net		(371,554)	(109,550)	(454,656)	(184,993)
Operating profit (loss)		(8,781,086)	4,249,728	(8,702,450)	5,446,243
Net foreign exchange gain (loss)	23	(1,306)	14,232	(143,337)	129,333
Finance income	24	194,163	226,440	392,808	492,258
Finance expenses	25	(527,005)	(477,356)	(939,661)	(955,144)
Total other expense		(334,148)	(236,684)	(690,190)	(333,553)
Profit (loss) before income tax		(9,115,234)	4,013,044	(9,392,640)	5,112,690
Current income tax expense		(5,686)	(566,483)	(50,472)	(701,311)
Deferred tax income (expense)		278,503	(313,969)	477,534	(519,066)
Total income tax		272,817	(880,452)	427,062	(1,220,377)
Profit (loss) for the period		(8,842,417)	3,132,592	(8,965,578)	3,892,313
Other comprehensive income (loss):					
Items that will not be reclassified to profit (loss)					
Gains (losses) from investments in equity instruments		(194)	1,465	(1,175)	7,875
Other comprehensive income (loss) for the period		(194)	1,465	(1,175)	7,875
Total comprehensive income (loss) for the period		(8,842,611)	3,134,057	(8,966,753)	3,900,188
Earnings (Loss) per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		(54.23)	19.21	(54.98)	23.87
Weighted average number of ordinary shares in issue (in millions)		163	163	163	163

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

NIS a.d.
Interim Condensed Statement of Changes in Shareholders' Equity

Six month period ended 30 June 2020 and 2019
(All amounts are in 000 RSD, unless otherwise stated)

	Share capital	Reserves	Retained earnings	Total
<i>(unaudited)</i>				
Balance as at 1 January 2019	81,530,200	92,060	167,681,372	249,303,632
Profit for the period	-	-	3,892,313	3,892,313
Other comprehensive income (loss)				
Gains from investments in equity instruments	-	7,875	-	7,875
Sale of investments in equity instruments	-	8,158	(8,158)	-
Total comprehensive income (loss) for the period				
Dividend distribution	-	16,033	3,884,155	3,900,188
Balance as at 30 June 2019	81,530,200	108,093	165,048,003	246,686,296
<i>(unaudited)</i>				
Balance as at 1 January 2020	81,530,200	93,959	178,839,446	260,463,605
Loss for the period	-	-	(8,965,578)	(8,965,578)
Other comprehensive income (loss)				
Loss from investments in equity instruments	-	(1,175)	-	(1,175)
Total comprehensive income (loss) for the period				
Dividend distribution	-	-	(4,425,459)	(4,425,459)
Balance as at 30 June 2020	81,530,200	92,784	165,448,409	247,071,393

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

NIS a.d.
Interim Condensed Statement of Cash Flows¹
(All amounts are in 000 RSD, unless otherwise stated)

	Note	Six month period ended	
		30 June	
		2020	2019
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit (loss) before income tax		(9,392,640)	5,112,690
Adjustments for:			
Finance expenses	25	939,661	955,144
Finance income	24	(392,808)	(492,258)
Net unrealised foreign exchange (gain) loss		229,216	(54,838)
Depreciation, depletion and amortization		10,173,541	9,172,568
Other non-cash items		182,091	229,919
Operating cash flow before changes in working capital		1,739,061	14,923,225
Changes in working capital:			
Accounts receivables		6,633,393	(2,847,989)
Inventories		18,705,504	(974,712)
Other assets		(1,791,946)	1,031,630
Accounts payables and other current liabilities		(20,012,894)	5,295,274
Taxes payable		3,309,874	756,956
Total effect on working capital changes		6,843,931	3,261,159
Income taxes paid		(1,162,365)	(1,947,648)
Interest paid		(885,664)	(853,504)
Interest received		228,276	488,995
Net cash generated from operating activities		6,763,239	15,872,227
Cash flows from investing activities			
Net cash outflow on acquisition of subsidiaries		(41)	-
Loans issued		(3,629,477)	(3,324,839)
Loan proceeds received		4,276,196	2,018,690
Capital expenditures ²		(14,962,617)	(18,650,943)
Proceeds from sale of property, plant and equipment		139,573	124,965
Bank deposits placements, net		-	1,986,458
Other inflow		-	5,246
Net cash used in investing activities		(14,176,366)	(17,840,423)
Cash flows from financing activities			
Proceeds from borrowings	14,18	19,092,041	18,250,098
Repayment of borrowings	14,18	(19,055,485)	(20,283,331)
Repayment of lease liabilities	19	(53,288)	(56,963)
Net cash used in financing activities		(16,732)	(2,090,196)
Net decrease in cash and cash equivalents		(7,429,859)	(4,058,392)
Effect of foreign exchange on cash and cash equivalents		86,950	(1,585)
Cash and cash equivalents as of the beginning of the period		13,501,827	12,222,578
Cash and cash equivalents as of the end of the period		6,158,918	8,162,601

¹ Company's policy is to present cash flow inclusive of related VAT.

² CF from investing activities includes VAT in the amount of 1.5 bln RSD (2019: 1.9 bln RSD)

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

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

1. GENERAL INFORMATION

Open Joint Stock Company Naftna Industrija Srbije, Novi Sad (the "Company") is a vertically integrated oil company operating predominantly in the Republic of Serbia. The Company'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 Company.

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

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

The Interim Condensed 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 Company does not disclose information which would substantially duplicate the disclosures contained in its audited 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 Company believes that the disclosures in these Interim Condensed Financial Statements are adequate to make the information presented not misleading if these Interim Condensed Financial Statements are read in conjunction with the Company's 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 and continued during the second 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 Company in the Condensed Interim 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 Financial Statements is provided below.

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 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 Company performed stress sensitivity analysis of its impact on recoverability of the Company PPE and overall business performance.

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, as well as when determining the discount rate.

Based on the currently available information and crude oil price forecast, management believe that recoverable amount of Company's PPE exceed its carrying value at reporting date (note 10).

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 Company, 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 Company 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 30 June 2020 were evaluated through 27 July 2020, the date these Interim Condensed Financial Statements were authorised for issue.

The results for the six month period ended 30 June 2020 are not necessarily indicative of the results expected for the full year.

The Company 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 Financial Statements are consistent with those applied during the preparation of Financial Statements as of and for the year ended 31 December 2019, except for those described in the Application of new IFRS paragraph.

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 Company:

- 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);

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

- Definition of Materiality – 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 Company when adopted:

- COVID-19-Related Rent Concessions - Amendments to IFRS 16 (issued in May 2020 and effective for annual periods beginning on or after 1 June 2020);
- IFRS 17 – Insurance Contracts (issued on 18 May 2017 and amended in June 2020, effective for annual periods beginning on or after 1 January 2023);
- 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).
- Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37 (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022);
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022);
- Updating References to the Conceptual Framework - Amendments to IFRS 3 (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022);
- Annual Improvements to IFRS Standards 2018-2020 Cycle (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022):
 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities - Amendments to IFRS 9 (effective for annual periods beginning on or after 1 January 2022);
 - Lease Incentives (Amendment to Illustrative Example 13 accompanying IFRS 16);
 - Subsidiary as a First-time Adopter - Amendment to IFRS 1 (effective for annual periods beginning on or after 1 January 2022);
 - Taxation in Fair Value Measurements - Amendment to IAS 41 (effective for annual periods beginning on or after 1 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.

4. SEGMENT INFORMATION

Presented below is information about the Company's operating segments for the six month period ended 30 June 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 Company manages its operations in 2 operating segments: Upstream and Downstream.

Upstream segment (exploration and production) includes the following Company 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 (refining and marketing). Corporate centre and Energy business activities are presented within the Downstream segment.

NIS a.d.**Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020***(All amounts are in 000 RSD, unless otherwise stated)*

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 Company's EBITDA. Management believes that EBITDA represents useful means of assessing the performance of the Company's ongoing operating activities, as it reflects the Company'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 six month period ended 30 June 2020 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	15,217,488	79,168,131	(15,061,489)	79,324,130
Intersegment	14,746,593	314,896	(15,061,489)	-
External	470,895	78,853,235	-	79,324,130
EBITDA (Segment results)	7,893,657	(5,953,307)	-	1,940,350
Depreciation, depletion and amortization	(5,636,092)	(4,537,449)	-	(10,173,541)
Net foreign exchange loss	(32,961)	(110,376)	-	(143,337)
Finance expenses, net	(33,591)	(513,262)	-	(546,853)
Income tax	(44,786)	471,848	-	427,062
Segment profit /(loss)	2,137,834	(11,103,412)	-	(8,965,578)

Reportable segment results for the six month period ended 30 June 2019 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	24,693,850	104,336,850	(24,577,248)	104,453,452
Intersegment	24,006,171	571,077	(24,577,248)	-
External	687,679	103,765,773	-	104,453,452
EBITDA (Segment results)	18,374,712	(3,640,348)	-	14,734,364
Depreciation, depletion and amortization	(5,083,574)	(4,088,994)	-	(9,172,568)
Net foreign exchange gain (loss)	(1,509)	130,842	-	129,333
Finance expenses, net	(50,384)	(412,502)	-	(462,886)
Income tax	(156,248)	(1,064,129)	-	(1,220,377)
Segment profit /(loss)	12,238,317	(8,346,004)	-	3,892,313

EBITDA for the three and six month period ended 30 June 2020 and 2019 is reconciled below:

	Three month period ended		Six month period ended	
	30 June		30 June	
	2020	2019	2020	2019
Profit (loss) for the period	(8,842,417)	3,132,592	(8,965,578)	3,892,313
Income tax	(272,817)	880,452	(427,062)	1,220,377
Finance expenses	527,005	477,356	939,661	955,144
Finance income	(194,163)	(226,440)	(392,808)	(492,258)
Depreciation, depletion and amortization	5,158,731	4,598,729	10,173,541	9,172,568
Net foreign exchange loss (gain)	1,306	(14,232)	143,337	(129,333)
Other expense, net	371,554	109,550	454,656	184,993
Other non-operating income, net	18,377	(30,164)	14,603	(69,440)
EBITDA	(3,232,424)	8,927,843	1,940,350	14,734,364

NIS a.d.**Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020***(All amounts are in 000 RSD, unless otherwise stated)*

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

	Six month period ended 30 June 2020		
	Domestic market	Export and International sales	Total
Sale of crude oil	-	445,567	445,567
Sale of gas	287,992	-	287,992
<i>Through a retail network</i>	-	-	-
<i>Wholesale activities</i>	287,992	-	287,992
Sale of petroleum products	60,009,719	14,311,720	74,321,439
<i>Through a retail network</i>	23,675,110	-	23,675,110
<i>Wholesale activities</i>	36,334,609	14,311,720	50,646,329
Sale of electricity	313,732	15,132	328,864
Lease revenue	159,748	2,195	161,943
Other sales	3,680,489	97,836	3,778,325
Total sales	64,451,680	14,872,450	79,324,130

	Six month period ended 30 June 2019		
	Domestic market	Export and International sales	Total
Sale of crude oil	-	663,497	663,497
Sale of gas	1,264,613	-	1,264,613
<i>Through a retail network</i>	-	-	-
<i>Wholesale activities</i>	1,264,613	-	1,264,613
Sale of petroleum products	82,683,106	15,659,128	98,342,234
<i>Through a retail network</i>	30,491,602	-	30,491,602
<i>Wholesale activities</i>	52,191,504	15,659,128	67,850,632
Sale of electricity	396,678	73,306	469,984
Lease revenue	197,612	-	197,612
Other sales	3,440,822	74,690	3,515,512
Total sales	87,982,831	16,470,621	104,453,452

Out of the amount of 50,646,329 RSD (2019: 67,850,632 RSD) revenue from sale of petroleum products (wholesale), the amount of 6,688,373 RSD (2019: 7,268,469 RSD) are derived from a single domestic customer HIP Petrohemija. These revenue are attributable to wholesale activities within Downstream segment.

Other sales mainly relate to sales of non-fuel products at petrol stations for 2,842,677 RSD (2019: 2,785,690 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 Company is domiciled in the Republic of Serbia. The revenue from external customers in the Republic of Serbia is 64,451,680 RSD (2019: 87,982,831 RSD), and the total revenue from external customer from other countries is 14,872,450 RSD (2019: 16,470,621 RSD).

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

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

	Six month period ended	
	30 June 2020	2019
Sale of crude oil	445,567	663,497
Sale of petroleum products (retail and wholesale)		
Bosnia and Herzegovina	4,705,985	4,934,709
Bulgaria	3,105,687	2,900,492
Romania	1,511,755	1,470,890
Croatia	790,710	802,683
Switzerland	360,100	719,690
Hungary	414,385	658,384
Great Britain	447,001	618,466
Northern Macedonia	425,770	375,199
All other markets	2,550,327	3,178,615
	14,311,720	15,659,128
Sale of electricity	15,132	73,306
Lease revenue	2,195	-
Other sales	97,836	74,690
	14,872,450	16,470,621

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

5. CASH AND CASH EQUIVALENTS

	30 June 2020	31 December 2019
Cash in bank and in hand	5,625,110	9,730,151
Deposits with original maturity of less than three months	300,000	3,493,453
Cash held on escrow account	10,980	13,715
Cash equivalents	222,828	264,508
	6,158,918	13,501,827

6. SHORT-TERM FINANCIAL ASSETS

	30 June 2020	31 December 2019
Short-term loans	209,376	50,950
Current portion of long-term investments (note 12)	16,925,503	14,126,730
Less impairment loss provision	(7,748,464)	(7,731,743)
	9,386,415	6,445,937

7. TRADE AND OTHER RECEIVABLES

	30 June 2020	31 December 2019
Trade receivables	31,142,131	38,323,574
Other receivables	105,570	110,474
Less credit loss allowance for trade receivables	(9,075,178)	(9,731,488)
Less credit loss allowance for other receivables	(50,564)	(52,831)
Total trade and other receivables	22,121,959	28,649,729

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

The Management of the Company 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 Company.

Management believes that not impaired trade, specific and other receivables are fully recoverable.

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

	30 June 2020	31 December 2019
RSD	18,873,369	23,143,779
EUR	3,011,716	5,213,349
USD	236,834	292,580
Other	40	21
	22,121,959	28,649,729

8. INVENTORIES

	30 June 2020	31 December 2019
Crude oil	14,484,705	29,839,954
Petroleum products	10,889,656	13,076,388
Materials and supplies	3,910,203	5,003,954
Other	747,814	842,655
Less impairment provision	(4,641,323)	(4,670,632)
	25,391,055	44,092,319

9. OTHER CURRENT ASSETS

	30 June 2020	31 December 2019
Advances paid	403,904	461,016
Deferred VAT	2,043,797	1,713,617
Prepaid expenses	404,346	259,101
Prepaid custom duties	63,463	62,071
Prepaid excise	2,837,497	1,705,199
Other current assets	7,735,556	7,780,183
Less impairment provision	(7,551,535)	(7,551,149)
	5,937,028	4,430,038

Deferred VAT as at 30 June 2020 amounting to 2,043,797 RSD (31 December 2019: 1,713,617 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 30 June 2020 amounting to 2,837,497 RSD (31 December 2019: 1,705,199 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.

Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

(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	156,367,336	115,028,154	51,380,912	16,193,480	45,864,852	384,834,734
Depreciation and impairment	(42,496,555)	(46,153,659)	(27,626,321)	(8,300,778)	(2,003,304)	(126,580,617)
Net book value	113,870,781	68,874,495	23,754,591	7,892,702	43,861,548	258,254,117
Period ended 30 June 2019						
Additions	-	-	-	-	17,762,090	17,762,090
Changes in decommissioning obligations	58,729	-	-	-	-	58,729
Transfer from assets under construction	7,215,129	997,055	546,722	372,263	(9,131,179)	-
Transfer to non-current assets held for sale	(19,652)	(12,273)	(4)	(44,358)	-	(76,287)
Impairment	-	-	(55,762)	-	(16,405)	(72,167)
Depreciation	(5,058,011)	(2,689,754)	(840,923)	(272,170)	-	(8,860,858)
Disposals and write-off	(98,698)	(1,540)	(9,647)	(3,842)	(77,778)	(191,505)
Transfer to right of use assets	(54,331)	-	(765,074)	-	-	(819,405)
Other transfers	(29,397)	(2,426)	1,318	30,506	145,674	145,675
As at 30 June 2019	115,884,550	67,165,567	22,631,221	7,975,101	52,543,950	266,200,389
Cost	163,272,014	115,990,014	50,804,504	16,490,219	54,563,659	401,120,410
Depreciation and impairment	(47,387,464)	(48,824,447)	(28,173,283)	(8,515,118)	(2,019,709)	(134,920,021)
Net book value	115,884,550	67,165,567	22,631,221	7,975,101	52,543,950	266,200,389
As at 1 January 2020						
Cost	174,428,161	119,078,761	51,810,197	16,384,499	58,002,489	419,704,107
Depreciation and impairment	(52,478,788)	(51,705,166)	(28,785,148)	(8,504,734)	(1,985,930)	(143,459,766)
Net book value	121,949,373	67,373,595	23,025,049	7,879,765	56,016,559	276,244,341
Period ended 30 June 2020						
Additions	-	-	-	-	12,803,182	12,803,182
Changes in decommissioning obligations	158,782	-	-	-	-	158,782
Transfer from assets under construction	8,338,622	2,599,400	1,449,398	122,647	(12,510,067)	-
Impairment	-	-	(3,031)	-	(18,289)	(21,320)
Depreciation	(5,586,212)	(3,040,435)	(889,398)	(289,118)	-	(9,805,163)
Disposals and write-off	(8,967)	(5,005)	(27,695)	(5,491)	(44,050)	(91,208)
Transfer to non-current assets held for sale	(45,468)	-	-	(76,235)	-	(121,703)
Other transfers	(44,005)	(272,783)	34,600	282,187	37,932	37,931
As at 30 June 2020	124,762,125	66,654,772	23,588,923	7,913,755	56,285,267	279,204,842
Cost	182,651,993	121,344,116	53,118,823	16,493,020	58,287,490	431,895,442
Depreciation and impairment	(57,889,868)	(54,689,344)	(29,529,900)	(8,579,265)	(2,002,223)	(152,690,600)
Net book value	124,762,125	66,654,772	23,588,923	7,913,755	56,285,267	279,204,842

Capitalized borrowing costs for the six months ended 30 June 2020 include interest expense in the amount of 70,538 RSD (30 June 2019: 81,946 RSD).

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

11. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the six months ended 30 June 2020 and 2019 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2019	-	-	-	-	-
Changes in opening balance	-	540,388	324,713	54,331	919,432
Additions	-	-	11,403	-	11,403
Depreciation	-	(25,745)	(34,733)	(5,513)	(65,991)
As at 30 June 2019	-	514,643	301,383	48,818	864,844
As at 1 January 2020	-	489,299	274,626	179,910	943,835
Additions	7,509	83,270	-	495,176	585,955
Depreciation	(1,251)	(26,111)	(30,385)	(54,014)	(111,761)
Disposals	-	(1,355)	-	(3,976)	(5,331)
As at 30 June 2020	6,258	545,103	244,241	617,096	1,412,698

12. LONG-TERM FINANCIAL ASSETS

	30 June 2020	31 December 2019
LT loans issued	38,985,608	39,632,071
Financial assets at FVTPL (note 20)	841,817	-
Financial assets at FVTOCI	163,147	164,322
Other LT placements	30,593	26,389
<i>Less Current portion of LT loans issued (note 6)</i>	<i>(16,925,503)</i>	<i>(14,126,730)</i>
<i>Less provision of other LT placements</i>	<i>(2,383,285)</i>	<i>(2,379,393)</i>
	20,712,377	23,316,659

13. OTHER NON-CURRENT ASSETS

	30 June 2020	31 December 2019
Advances paid for PPE	264,602	358,552
Prepaid expenses	133,099	146,711
Other assets	1,159,348	1,153,959
<i>Less allowance for Other assets</i>	<i>(369,108)</i>	<i>(354,626)</i>
<i>Less allowance for advances paid</i>	<i>(21,363)</i>	<i>(21,363)</i>
	1,166,578	1,283,233

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

	30 June 2020	31 December 2019
Short-term loans	2,087,328	1,594,072
Interest liabilities	94,851	90,923
Current portion of long-term loans (note 18)	5,875,678	5,766,536
	8,057,857	7,451,531

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

	Six month period ended 30 June	
	2020	2019
Short-term loans at 1 January	1,594,072	2,218,378
Proceeds	16,642,798	8,383,439
Repayment	(16,149,542)	(9,467,325)
Short-term loans at 30 June	2,087,328	1,134,492

NIS a.d.**Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020***(All amounts are in 000 RSD, unless otherwise stated)***15. TRADE AND OTHER PAYABLES**

	30 June 2020	31 December 2019
Trade payables	15,543,203	36,940,204
Dividends payable	8,205,243	3,780,692
Other accounts payable	415,770	90,645
	24,164,216	40,811,541

As at 30 June 2020 trade payables amounting to 15,543,203 RSD (31 December 2019: 36,940,204 RSD) mainly relate to payables for crude oil in the amount of 4,542,356 RSD (31 December 2019: 19,989,597 RSD), to the most significant suppliers Petraco Oil Company LLP, London in the amount of 4,538,107 RSD (31 December 2019: 0 RSD) and Gazprom Neft, St Petersburg in the amount of 0 RSD (31 December 2019: 10,498,354 RSD).

16. OTHER CURRENT LIABILITIES

	30 June 2020	31 December 2019
Contract liabilities arising from contracts with customers:		
- Advances received	1,958,221	1,699,250
- Customer loyalty	701,691	635,355
Payables to employees	2,583,028	3,257,059
Other current non-financial liabilities	13,233	359,897
	5,256,173	5,951,561

As at 30 June 2020 revenue in the amount of 1,685,920 RSD (30 June 2019: 1,320,450 RSD) was recognized in the current reporting period related to the contract liabilities as at 1 January 2020, of which 1,365,682 RSD (30 June 2019: 1,070,359 RSD) related to advances and 320,238 RSD (30 June 2019: 250,091 RSD) to customer loyalty programme.

17. OTHER TAXES PAYABLE

	30 June 2020	31 December 2019
Mineral extraction tax	172,447	243,396
VAT	2,675,808	984,449
Excise tax	6,152,924	5,301,814
Contribution for buffer stocks	296,492	280,070
Custom duties	22,967	178,054
Energy efficiency fee	31,709	32,299
Other taxes	1,967,156	1,889,552
	11,319,503	8,909,634

18. LONG-TERM DEBT

	30 June 2020	31 December 2019
Long-term loan - Gazprom Neft	16,405,954	19,143,014
Bank loans	71,476,637	69,207,491
Less Current portion (note 14)	(5,875,678)	(5,766,536)
	82,006,913	82,583,969

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

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

	Six month period ended 30 June	
	2020	2019
Long-term loans at 1 January	88,350,506	92,646,847
Proceeds	2,449,243	9,866,659
Repayment	(2,905,943)	(10,816,006)
Foreign exchange difference (note 23)	(11,215)	(210,178)
Long-term loans at 30 June	87,882,591	91,487,322

(a) *Long-term loan - Gazprom Neft*

As at 30 June 2020 long-term loan - Gazprom Neft amounting to 16,405,954 RSD (31 December 2019: 19,143,014 RSD), with current portion of 5,468,651 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*

	30 June 2020	31 December 2019
	Domestic	49,052,514
Foreign	22,424,123	22,326,855
	71,476,637	69,207,491
Current portion of long-term loans	(407,027)	(297,104)
	71,069,610	68,910,387

The maturity of bank loans was as follows:

	30 June 2020	31 December 2019
Between 1 and 2 years	12,546,387	10,845,263
Between 2 and 5 years	55,400,044	54,737,906
Over 5 years	3,123,179	3,327,218
	71,069,610	68,910,387

The carrying amounts of bank loans are denominated in the following currencies:

	30 June 2020	31 December 2019
USD	191,298	209,292
EUR	71,040,614	68,732,684
RSD	422	498
JPY	244,303	265,017
	71,476,637	69,207,491

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

The loan agreements contain financial covenants that require the Company's ratio of Indebtedness to EBITDA. Management believes the Company is in compliance with these covenants as of 30 June 2020 and 31 December 2019, respectively.

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

19. LEASE LIABILITIES

	30 June 2020	31 December 2019
Non-current lease liabilities	1,030,140	652,092
Current lease liabilities	321,183	159,332
	1,351,323	811,424

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

	Six month period ended 30 June	
	2020	2019
As at 1 January	811,424	644,611
Changes in opening balance	-	100,027
Repayment	(53,288)	(56,963)
Non-cash transactions	604,202	25,437
Foreign exchange difference (note 23)	(11,015)	2,206
As at 30 June	1,351,323	715,318

Amounts recognized in profit and loss:

	Six month period ended 30 June	
	2020	2019
Interest expense (included in finance cost)	15,473	11,843
Expense relating to short-term leases	193,465	219,805
Expense relating to leases of low value assets that are not shown above as short-term leases	66,079	54,056
Expense relating to variable lease payments not included in lease liabilities	550,445	574,045

20. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in amount of 841,817 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 share 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 30 June		Six month period ended 30 June	
	2020	2019	2020	2019
Employee costs	935,665	843,684	1,833,282	1,693,361
Materials and supplies (other than purchased oil, petroleum products and gas)	65,088	205,084	247,547	489,361
Repair and maintenance services	907,039	2,511,081	1,817,266	3,797,135
Electricity for resale	29,955	79,875	112,202	182,952
Electricity and utilities	605,925	481,335	1,228,426	930,833
Safety and security expense	96,040	109,332	212,143	263,671
Insurance services	97,874	75,749	159,334	137,990
Transportation services for production	431,729	413,497	933,171	827,247
Other	1,964,331	2,044,988	3,855,970	3,815,452
	5,133,646	6,764,625	10,399,341	12,138,002

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 30 June		Six month period ended 30 June	
	2020	2019	2020	2019
Employee costs	2,653,154	2,507,014	5,398,483	4,917,451
Commission and agency fees	799,871	71,342	1,083,838	139,761
Legal, audit and consulting services	331,219	438,726	550,720	725,183
Current repair cost	169,713	220,482	357,429	378,636
Costs on advertising and marketing	32,950	79,378	82,370	124,429
Rent expense	41,170	76,073	87,168	126,568
Business trips expense	14,222	59,909	48,155	109,545
Safety and security expense	94,570	118,270	209,311	231,413
Insurance expense	14,928	27,790	32,061	57,140
Transportation and storage	22,745	87,416	65,939	160,421
Allowance for doubtful accounts	23,466	(63,098)	(96,502)	(68,235)
Other	799,170	1,824,746	2,416,226	3,601,486
	4,997,178	5,448,048	10,235,198	10,503,798

23. NET FOREIGN EXCHANGE GAIN (LOSS)

	Three month period ended 30 June		Six month period ended 30 June	
	2020	2019	2020	2019
Foreign exchange gain (loss) on financing activities including:				
- foreign exchange gain	860,401	253,521	1,119,313	606,010
- foreign exchange loss	(906,972)	(206,478)	(1,097,083)	(398,038)
Net foreign exchange gain (loss) on operating activities	45,265	(32,811)	(165,567)	(78,639)
	(1,306)	14,232	(143,337)	129,333

24. FINANCE INCOME

	Three month period ended 30 June		Six month period ended 30 June	
	2020	2019	2020	2019
Interest on bank deposits	23,507	55,492	47,660	156,426
Interest income on loans issued	170,656	170,948	345,148	335,832
	194,163	226,440	392,808	492,258

25. FINANCE EXPENSES

	Three month period ended 30 June		Six month period ended 30 June	
	2020	2019	2020	2019
Interest expense	549,729	485,249	995,902	971,009
Decommissioning provision: unwinding of the present value discount	23,024	36,297	43,827	72,431
Financial assets: unwinding of discount	(10,087)	(1,133)	(29,530)	(6,350)
Less: interest expense capitalised on qualifying assets	(35,661)	(43,057)	(70,538)	(81,946)
	527,005	477,356	939,661	955,144

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

Interest expense includes expenses on lease liabilities in amount of 15,473 RSD for the six months ended 30 June 2020 (11,843 RSD for the six months ended 30 June 2019, accordingly).

26. FAIR VALUE MEASUREMENT

The following assets are measured at fair value in the Interim Condensed Financial Statements: investment properties and 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 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 30 June 2020 the carrying value of financial assets approximates their fair value.

27. CONTINGENCIES AND COMMITMENTS

Economic environment in the Republic of Serbia

The Company 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 Company's operations and financial position.

The management is taking necessary measures to ensure sustainability of the Company'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 Company's management recognised an environmental provision in the amount of 468,018 RSD (31 December 2019: 488,857 RSD).

The Company'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.

Taxes

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Company's management. As result, some transactions may be disputed by tax authorities and the Company 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 Company has paid all tax liabilities as of 30 June 2020.

Capital commitments

As of 30 June 2020 the Company has entered into contracts to purchase property, plant and equipment for 2,602,699 RSD (31 December 2019: 2,818,801 RSD).

There were no other material contingencies and commitments of the Company.

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

28. RELATED PARTY TRANSACTIONS

For the purpose of these Interim Condensed 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 Company 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 Company.

In the Six month period ended 30 June 2020 and in the same period in 2019, the Company 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.

As at 30 June 2020 and 31 December 2019 the outstanding balances, net of impairment, with related parties were as follows:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
As at 30 June 2020			
Short-term financial assets	9,386,415	-	-
Trade and other receivables	3,000,492	-	474,386
Other current assets	13,971	-	8,287
Right of use assets	47,737	-	219
Investments in subsidiaries, associates and joint ventures	13,425,627	-	1,038,800
Long-term financial assets	20,601,583	-	-
Other non-current assets	31,670	-	-
Trade and other payables	(4,077,992)	-	(629,767)
Other current liabilities	(15,987)	-	(3,964)
Short-term debt and current portion of long-term debt	(1,338,774)	(5,468,651)	-
Current lease liabilities	(2,208)	-	(154)
Long-term debt	-	(10,937,303)	-
Non-current lease liabilities	(47,049)	-	(28)
	41,025,485	(16,405,954)	887,779

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
As at 31 December 2019			
Short-term financial assets	6,445,937	-	-
Trade and other receivables	4,542,457	-	1,281,002
Other current assets	15,998	-	34,371
Right of use assets	52,049	-	-
Investments in subsidiaries, associates and joint ventures	13,425,586	-	1,038,800
Long-term financial assets	23,205,186	-	-
Trade and other payables	(4,488,356)	(10,498,354)	(1,711,826)
Other current liabilities	(2,443)	-	(3,784)
Short-term debt and current portion of long-term debt	(1,596,354)	(5,469,432)	-
Current lease liabilities	(5,075)	-	(159)
Long-term debt	-	(13,673,582)	-
Non-current lease liabilities	(48,010)	-	(128)
	41,546,975	(29,641,368)	638,276

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2020

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

For the six month period ended 30 June 2020 and 30 June 2019 the following transaction occurred with related parties:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Six month period ended 30 June 2020			
Petroleum products and oil and gas sales	5,800,286	-	6,820,375
Other revenues	357,634	-	10,550
Purchases of oil, gas and petroleum products	(231,572)	(20,144,958)	(510,638)
Production and manufacturing expenses	(1,752,696)	-	(156,212)
Selling, general and administrative expenses	(1,455,134)	-	(7,066)
Transportation expenses	(806)	-	-
Depreciation	(2,956)	-	-
Other income (expenses), net	(17,855)	5,233	(142)
Finance income	340,248	-	-
Finance expense	(14,031)	(163,378)	-
	3,023,118	(20,303,103)	6,156,867

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Six month period ended 30 June 2019			
Petroleum products and oil and gas sales	6,564,858	-	7,530,901
Other revenues	185,502	-	33,596
Purchases of oil, gas and petroleum products	(21,864)	(22,202,884)	(1,969)
Production and manufacturing expenses	(2,619,454)	-	(195,354)
Selling, general and administrative expenses	(231,609)	-	(20,323)
Transportation expenses	(669)	-	-
Depreciation	(4,536)	-	-
Other income (expenses), net	(1,089)	13,831	(349)
Finance income	330,188	-	-
Finance expense	(27,664)	(215,592)	-
	4,173,663	(22,404,645)	7,346,502

Transactions with Key Management Personnel

For the six month period ended on 30 June 2020 and 2019 the Company recognized 456,072 RSD and 456,698 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.

NIS a.d.

**Notes to the Interim Condensed Financial Statements for the six month period ended
30 June 2020**

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

NIS a.d.

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