



**Naftna industrija Srbije A.D.**

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

31 December 2023

*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)*

<b>Assets</b>	<b>Note</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
		<i>(unaudited)</i>	
<b>Current assets</b>			
Cash and cash equivalents	4	21,484,271	88,131,045
Short-term financial assets	5	32,639,879	6,104,619
Trade and other receivables	6	33,432,827	35,969,998
Inventories	7	67,680,808	58,234,614
Current income tax prepayments		7,470,959	-
Other current assets	8	11,171,402	12,031,734
Assets classified as held for sale		56,605	23,833
<b>Total current assets</b>		<b>173,936,751</b>	<b>200,495,843</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	308,217,345	295,790,456
Right-of-use assets	10	3,728,750	3,695,826
Investment property		1,514,920	1,531,705
Goodwill and other intangible assets		5,406,024	5,228,587
Investments in associates and joint ventures		2,729,005	2,866,724
Trade and other non-current receivables		669,618	2,821
Long-term financial assets		262,005	323,702
Deferred tax assets		3,245,067	2,766,666
Other non-current assets	11	7,001,095	2,113,788
<b>Total non-current assets</b>		<b>332,773,829</b>	<b>314,320,275</b>
<b>Total assets</b>		<b>506,710,580</b>	<b>514,816,118</b>
<b>Liabilities and shareholder's equity</b>			
<b>Current liabilities</b>			
Short-term debt and current portion of long-term debt	12	11,824,846	7,260,508
Current lease liabilities	17	924,031	735,918
Trade and other payables	13	20,703,916	28,455,871
Other current liabilities	14	14,093,357	17,746,302
Current income tax payable		-	14,013,449
Other taxes payable	15	12,961,786	15,233,939
Provisions for liabilities and charges		2,712,762	2,013,474
<b>Total current liabilities</b>		<b>63,220,698</b>	<b>85,459,461</b>
<b>Non-current liabilities</b>			
Long-term debt	16	54,612,097	62,053,580
Non-current lease liabilities	17	3,010,984	2,413,671
Other non-current financial liabilities		838,937	840,001
Long-term trade and other payables		2,868	7,171
Provisions for liabilities and charges		13,937,343	14,814,651
<b>Total non-current liabilities</b>		<b>72,402,229</b>	<b>80,129,074</b>
<b>Equity</b>			
Share capital		81,530,200	81,530,200
Reserves		694,603	572,221
Retained earnings		288,345,242	267,125,162
<b>Equity attributable to the Company's owners</b>		<b>370,570,045</b>	<b>349,227,583</b>
Non-controlling interest		517,608	-
<b>Total equity</b>		<b>371,087,653</b>	<b>349,227,583</b>
<b>Total liabilities and shareholder's equity</b>		<b>506,710,580</b>	<b>514,816,118</b>

Kirill Tyurdenov  
Chief Executive Officer  
30 January 2024



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)*

		<b>Three month period ended 31 December</b>		<b>Year ended 31 December</b>	
	Note	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Sales of petroleum products, oil and gas		92,756,458	122,315,780	364,517,218	486,083,320
Other revenues		15,303,381	10,573,370	47,630,290	27,603,254
<b>Total revenue from sales</b>	3	<b>108,059,839</b>	<b>132,889,150</b>	<b>412,147,508</b>	<b>513,686,574</b>
Purchases of oil, gas and petroleum products		(67,468,811)	(76,313,832)	(240,327,970)	(295,956,329)
Production, manufacturing and cost of other sales	18	(16,884,635)	(14,923,112)	(55,101,217)	(42,276,617)
Selling, general and administrative expenses	19	(9,264,267)	(7,754,458)	(31,884,849)	(27,045,041)
Transportation expenses		(464,862)	(511,195)	(1,667,766)	(1,859,150)
Depreciation, depletion and amortization		(6,381,483)	(6,236,318)	(24,960,531)	(25,479,192)
Taxes other than income tax		(2,253,440)	(1,988,282)	(8,026,106)	(8,073,810)
Exploration expenses		(162,986)	-	(163,308)	(173)
<b>Total operating expenses</b>		<b>(102,880,484)</b>	<b>(107,727,197)</b>	<b>(362,131,747)</b>	<b>(400,690,312)</b>
Other income/(expenses), net	20	8,725,525	84,422	1,248,307	(2,274,338)
<b>Operating profit</b>		<b>13,904,880</b>	<b>25,246,375</b>	<b>51,264,068</b>	<b>110,721,924</b>
Share of gain (loss) of associates and joint ventures		32,501	1,040,115	(137,719)	1,283,824
Net foreign exchange gain/(loss)	21	95,047	31,455	(254,494)	(2,168,099)
Finance income	22	904,457	1,118,378	4,618,428	1,952,293
Finance expenses	23	(879,204)	(621,466)	(3,329,567)	(1,951,977)
<b>Total other (expense) income</b>		<b>152,801</b>	<b>1,568,482</b>	<b>896,648</b>	<b>(883,959)</b>
<b>Profit before income tax</b>		<b>14,057,681</b>	<b>26,814,857</b>	<b>52,160,716</b>	<b>109,837,965</b>
Current income tax expense		(1,639,703)	(4,031,773)	(8,532,713)	(17,886,433)
Deferred tax income		4,353	143,979	564,513	423,121
<b>Total income tax</b>		<b>(1,635,350)</b>	<b>(3,887,794)</b>	<b>(7,968,200)</b>	<b>(17,463,312)</b>
<b>Profit for the period</b>		<b>12,422,331</b>	<b>22,927,063</b>	<b>44,192,516</b>	<b>92,374,653</b>
<b>Other comprehensive income/(loss):</b>					
<b>Items that will not be reclassified to profit/(loss)</b>					
Losses on remeasurements of defined benefit plans		(49,477)	(119,016)	(49,477)	(181,767)
Gain/(loss) from investments in equity instruments	23	-	-	8,299	(104)
<b>Items that may be subsequently reclassified to profit</b>					
Currency translation differences		(3,846)	(19,727)	80,237	65,496
<b>Other comprehensive income / (loss) for the period</b>		<b>(53,300)</b>	<b>(138,743)</b>	<b>39,059</b>	<b>(116,375)</b>
<b>Total comprehensive income for the period</b>		<b>12,369,031</b>	<b>22,788,320</b>	<b>44,231,575</b>	<b>92,258,278</b>
<b>Profit/(loss) attributable to:</b>					
- Shareholders of Naftna Industrija Srbije		12,642,237	22,927,063	44,667,130	92,374,653
- Non-controlling interest		(219,906)	-	(474,614)	-
<b>Profit for the period</b>		<b>12,422,331</b>	<b>22,927,063</b>	<b>44,192,516</b>	<b>92,374,653</b>
<b>Total comprehensive income / (loss) attributable to:</b>					
- Shareholders of Naftna Industrija Srbije		12,587,632	22,788,320	44,704,884	92,258,278
- Non-controlling interest		(218,601)	-	(473,309)	-
<b>Total comprehensive income for the period</b>		<b>12,369,031</b>	<b>22,788,320</b>	<b>44,231,575</b>	<b>92,258,278</b>
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		77.53	140.60	273.93	566.51
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 Consolidated Financial Statements.*

# NIS Group

## Interim Condensed Consolidated Statement of Changes in Shareholders' Equity

Year ended 31 December 2023 and 2022

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

(unaudited)

### Balance as at 1 January 2022

Profit for the period

### Other comprehensive income/(loss)

Loss from investments in equity instruments

Losses on remeasurements of defined benefit plans

Currency translation differences

### Total comprehensive income for the period

Dividend distribution

Other

### Balance as at 31 December 2022

Equity attributable to the Company's owners				Non-	Total
Share capital	Reserves	Retained earnings	Total	controlling interest	equity
81,530,200	488,736	180,797,597	262,816,533	19,678	262,836,211
-	-	92,374,653	92,374,653	-	92,374,653
-	(104)	-	(104)	-	(104)
-	-	(181,767)	(181,767)	-	(181,767)
-	59,714	5,782	65,496	-	65,496
-	59,610	92,198,668	92,258,278	-	92,258,278
-	-	(5,782,122)	(5,782,122)	-	(5,782,122)
-	23,875	(88,981)	(65,106)	(19,678)	(84,784)
81,530,200	572,221	267,125,162	349,227,583	-	349,227,583

(unaudited)

### Balance as at 1 January 2023

Profit for the period

### Other comprehensive income/(loss)

Gain from investments in equity instruments

Gains/(Losses) on remeasurements of defined benefit plans

Currency translation differences

### Total comprehensive income/(loss) for the period

Acquisition of subsidiary

Dividend distribution

Disposal of investment in equity instruments

Other

### Balance as at 31 December 2023

Equity attributable to the Company's owners				Non-	Total
Share capital	Reserves	Retained earnings	Total	controlling interest	equity
81,530,200	572,221	267,125,162	349,227,583	-	349,227,583
-	-	44,667,130	44,667,130	(474,614)	44,192,516
-	8,299	-	8,299	-	8,299
-	-	(50,782)	(50,782)	1,305	(49,477)
-	80,237	-	80,237	-	80,237
-	88,536	44,616,348	44,704,884	(473,309)	44,231,575
-	-	-	-	990,917	990,917
-	-	(23,364,925)	(23,364,925)	-	(23,364,925)
-	33,846	(33,846)	-	-	-
-	-	2,503	2,503	-	2,503
81,530,200	694,603	288,345,242	370,570,045	517,608	371,087,653

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

**NIS Group**
**Interim Condensed Consolidated Statement of Cash Flows<sup>1</sup>**

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

		<b>Year ended</b>	
		<b>31 December</b>	
	Note	<b>2023</b>	<b>2022</b>
		(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>			
Profit before income tax		<b>52,160,716</b>	<b>109,837,965</b>
<b>Adjustments for:</b>			
Share of (profit)/loss of associates and joint ventures		137,719	(1,283,824)
Finance expenses	23	3,329,567	1,951,977
Finance income	22	(4,618,428)	(1,952,293)
Unrealised foreign exchange (gain)/losses, net		(217,838)	1,725,407
Depreciation, depletion and amortization		24,960,531	25,479,192
Gain from bargain purchase		(8,918,255)	-
Other non-cash items		1,449,603	2,652,346
<b>Operating cash flow before changes in working capital</b>		<b>68,283,615</b>	<b>138,410,770</b>
<b>Changes in working capital:</b>			
Trade and other receivables		2,880,679	(6,783,443)
Inventories		(2,210,875)	(21,346,719)
Other current assets		2,023,025	(3,284,683)
Trade payables and other current liabilities		(11,354,555)	11,426,228
Other taxes payable		(2,436,945)	3,681,591
<b>Total effect on working capital changes</b>		<b>(11,098,671)</b>	<b>(16,307,026)</b>
Income taxes paid		(29,870,559)	(8,084,345)
Interest paid		(2,709,244)	(1,471,158)
Interest received		3,378,477	1,515,009
<b>Net cash generated by operating activities</b>		<b>27,983,618</b>	<b>114,063,250</b>
<b>Cash flows from investing activities</b>			
Net cash inflow on acquisition of subsidiaries		568,307	-
Capital expenditures <sup>2</sup>		(43,363,331)	(25,437,566)
Proceeds from sale of property, plant and equipment		104,698	393,157
Dividends received		44,372	-
Bank deposits repayment, net		(24,351,012)	(6,091,880)
Other outflow		(14,999)	(170,391)
<b>Net cash used in investing activities</b>		<b>(67,011,965)</b>	<b>(31,306,680)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	12, 16	4,200,401	5,811,336
Repayment of borrowings	12, 16	(7,133,141)	(14,063,305)
Repayment of lease liabilities	17	(1,025,957)	(814,876)
Dividends paid		(23,364,925)	(5,782,122)
<b>Net cash used in financing activities</b>		<b>(27,323,622)</b>	<b>(14,848,967)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(66,351,969)</b>	<b>67,907,603</b>
Effect of foreign exchange on cash and cash equivalents		(294,805)	(1,059,832)
<b>Cash and cash equivalents as of the beginning of the period</b>		<b>88,131,045</b>	<b>21,283,274</b>
<b>Cash and cash equivalents as of the end of the period</b>	<b>4</b>	<b>21,484,271</b>	<b>88,131,045</b>

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

<sup>1</sup> Group policy is to present cash flow inclusive of related VAT.

<sup>2</sup> CF from investing activities includes VAT in the amount of 4.6 bln RSD (2022: 3.4 bln RSD)

## NIS Group

### Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023

*(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 referred 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,
- Electricity generation and trading and
- Production and trading of petrochemical products.

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

The Company is a public joint stock company listed 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 MATERIAL 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.

Quarterly financial reports are prepared in accordance with the requirements of the Law on the Capital Market and the Rulebook on Reporting of Public Companies.

The new standard for insurance contracts and the amendments to the existing standards which became effective on 1 January 2023 did not have any material impact on the Interim Condensed Consolidated Financial Statements.

The Group intends to implement the amendments to the existing standards and new standards issued but not yet effective as of the date these Condensed Interim Consolidated Financial Statements were authorised for issue, and the Group does not expect them to have any material impact on the Condensed Interim Consolidated Financial Statements when adopted.

The Group does not disclose information which would substantially duplicate the disclosures contained in its audited Consolidated Financial Statements for 2022, 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 2022.

In the 2023 the volatility at commodity and financial markets is seen rising while the RSD remained stable relative to EUR and weakening against the USD (the information on economic environment in the Republic Serbia is detailed in Note 26) due to geopolitical situation. Under current conditions it turned out to be impossible to evaluate how long the volatility will remain and at what level the key financial indicators will ultimately stabilise.

## NIS Group

### Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023

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

The Group continues monitoring the development of macroeconomic situation and emergence of possibility to make evaluation of the indicators mentioned above with reasonable certainty.

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 2022.

#### 3. SEGMENT INFORMATION

Presented below is information about the Group's operating segments for the year ended 31 December 2023 and 2022. 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, Energy business activities and petrochemical production 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 year ended 31 December 2023 are shown in the table below:

	<b>Upstream</b>	<b>Downstream</b>	<b>Eliminations</b>	<b>Total</b>
Segment revenue	51,106,744	414,200,532	(53,159,768)	412,147,508
Intersegment	50,179,631	2,980,137	(53,159,768)	-
External	927,113	411,220,395	-	412,147,508
<b>Adjusted EBITDA (Segment results)</b>	<b>34,150,299</b>	<b>33,901,193</b>	<b>-</b>	<b>68,051,492</b>
Depreciation, depletion and amortization	(14,345,495)	(10,615,036)	-	(24,960,531)
Share of loss in associates and joint ventures	-	(137,719)	-	(137,719)
Net foreign exchange loss	(86,755)	(167,739)	-	(254,494)
Finance (expenses) income, net	(414,697)	1,703,558	-	1,288,861
Income tax	(13,304)	(7,954,896)	-	(7,968,200)
Segment profit	18,946,894	25,245,622	-	44,192,516



**NIS Group**
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023**

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

Reportable segment results for the year ended 31 December 2022 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	63,484,308	511,451,670	(61,249,404)	513,686,574
Intersegment	60,524,458	724,946	(61,249,404)	-
External	2,959,850	510,726,724	-	513,686,574
<b>Adjusted EBITDA (Segment results)</b>	<b>44,787,199</b>	<b>91,405,058</b>	<b>-</b>	<b>136,192,257</b>
Depreciation, depletion and amortization	(14,174,382)	(11,304,810)	-	(25,479,192)
Impairment of non-financial assets	(23,193)	(91,974)	-	(115,167)
Share of gain in associates and joint ventures	-	1,283,824	-	1,283,824
Net foreign exchange gain/(loss)	83,049	(2,251,148)	-	(2,168,099)
Finance income/(expenses), net	(292,409)	292,725	-	316
Income tax	(270,711)	(17,192,601)	-	(17,463,312)
Segment profit	30,138,877	62,235,776	-	92,374,653

Adjusted EBITDA for the three month period and year ended 31 December 2023 and 2022 is reconciled below:

	Three month period ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Profit for the period	12,422,331	22,927,063	44,192,516	92,374,653
Income tax	1,635,350	3,887,794	7,968,200	17,463,312
Finance expenses	879,204	621,466	3,329,567	1,951,977
Finance income	(904,457)	(1,118,378)	(4,618,428)	(1,952,293)
Depreciation, depletion and amortization	6,381,483	6,236,318	24,960,531	25,479,192
Share of (profit)/loss of associates and joint ventures	(32,501)	(1,040,115)	137,719	(1,283,824)
Net foreign exchange (gain)/loss	(95,047)	(31,455)	254,494	2,168,099
Other expenses/(income), net	(8,725,525)	(84,422)	(1,248,307)	2,274,338
Other non-operating expense/(income), net*	(24,512)	(5,532)	(6,924,800)	(2,283,197)
<b>Adjusted EBITDA</b>	<b>11,536,326</b>	<b>31,392,739</b>	<b>68,051,492</b>	<b>136,192,257</b>

\*Other non-operating expense/(income), net mainly relates to donations for support projects in the field of education, social and health care, excess and deficiencies of assets revealed, fines, penalties and other (note 20).

Oil, gas, petroleum and petrochemical products sales, sales of electricity, lease revenue and other sales comprise the following:

	Year ended 31 December	
	2023	2022
Sale of crude oil	-	4,602,951
Sale of gas	171,880	147,142
<i>Wholesale activities</i>	171,880	147,142
Sale of petroleum products	364,345,338	481,333,227
<i>Through a retail network</i>	128,471,691	156,198,705
<i>Wholesale activities</i>	235,873,647	325,134,522
Sales of petrochemical products	11,934,525	-
Sale of electricity	15,529,018	10,298,884
Lease revenue	368,495	352,812
Other sales	19,798,252	16,951,558
<b>Total sales</b>	<b>412,147,508</b>	<b>513,686,574</b>

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023***(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 14,077,617 RSD (2022: 12,510,750 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.

**4. CASH AND CASH EQUIVALENTS**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash in bank and in hand	11,739,845	18,958,001
Deposits with original maturity of less than three months	9,734,451	69,170,832
Cash held on escrow account	4,729	254
Cash equivalents	5,246	1,958
	<b>21,484,271</b>	<b>88,131,045</b>

The fair value of cash and cash equivalents approximates their carrying value.

**5. SHORT-TERM FINANCIAL ASSETS**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Short-term loans	34,215	43,116
Deposits with original maturity more than 3 months less than 1 year	32,607,844	6,063,683
<i>Less impairment loss provision</i>	<i>(2,180)</i>	<i>(2,180)</i>
	<b>32,639,879</b>	<b>6,104,619</b>

The fair value of short-term financial assets approximates their carrying value.

**6. TRADE AND OTHER RECEIVABLES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade receivables	41,108,308	43,289,967
Other receivables	83,048	88,129
Accrued assets	3,029	2,907
<i>Less credit loss allowance for trade receivables</i>	<i>(7,730,975)</i>	<i>(7,376,579)</i>
<i>Less credit loss allowance for other receivables</i>	<i>(30,583)</i>	<i>(34,426)</i>
	<b>33,432,827</b>	<b>35,969,998</b>

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 mostly denominated in RSD.

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023***(All amounts are in 000 RSD, unless otherwise stated)***7. INVENTORIES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Crude oil	32,398,731	29,455,750
Petroleum products	29,073,971	25,216,800
Materials and supplies	10,338,729	6,557,773
Other	1,622,606	1,517,953
<i>Less impairment provision</i>	<i>(5,753,229)</i>	<i>(4,513,662)</i>
	<b>67,680,808</b>	<b>58,234,614</b>

**8. OTHER CURRENT ASSETS**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Advances paid	1,801,551	1,059,350
VAT receivables	667,468	601,319
Deferred VAT	3,450,155	4,405,141
Prepaid expenses	334,025	326,204
Prepaid custom duties	68,247	60,981
Prepaid excise	4,305,367	4,465,682
Other current assets	8,074,069	8,614,106
<i>Less impairment provision</i>	<i>(7,529,480)</i>	<i>(7,501,049)</i>
	<b>11,171,402</b>	<b>12,031,734</b>

Deferred VAT as at 31 December 2023 amounting to 3,450,155 RSD (31 December 2022: 4,405,141 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 December 2023 amounting to 4,305,367 RSD (31 December 2022: 4,465,682 RSD) relates to the excise paid for finished products stored in non-excise warehouse and excise paid for imported products used in further production process which will be refunded in the near future.

**NIS Group**
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023**
*(All amounts are in 000 RSD, unless otherwise stated)*
**9. PROPERTY, PLANT AND EQUIPMENT**

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
<b>As at 1 January 2023</b>						
Cost	235,638,513	165,764,521	76,125,213	17,455,773	24,562,759	519,546,779
Depreciation and impairment	(97,472,486)	(73,525,826)	(39,768,592)	(9,891,917)	(3,097,502)	(223,756,323)
<b>Net book value</b>	<b>138,166,027</b>	<b>92,238,695</b>	<b>36,356,621</b>	<b>7,563,856</b>	<b>21,465,257</b>	<b>295,790,456</b>
<b>Period ended 31 December 2023</b>						
Additions	17,216,199	1,247,890	2,726,222	549,131	13,003,498	34,742,940
Acquisitions through business combinations	-	1,860,920	-	-	37,592	1,898,512
Changes in decommissioning obligations	290,237	-	-	114	-	290,351
Impairment	-	-	-	-	(133,295)	(133,295)
Depreciation	(13,616,185)	(7,122,503)	(2,405,427)	(479,199)	-	(23,623,314)
Transfer from intangible assets	-	-	-	-	767	767
Transfer (to)/from investment property	136	-	(8,631)	14,296	-	5,801
Transfer to non-current assets held for sale	(6,497)	-	-	(31,539)	-	(38,036)
Disposals and write-off	(37,696)	(12,673)	(50,862)	(6,922)	(188,776)	(296,929)
Other transfers	72,553	(89,789)	130,885	(29,485)	(412,661)	(328,497)
Translation differences	(26,352)	-	(25,394)	(25)	(39,640)	(91,411)
	<b>142,058,422</b>	<b>88,122,540</b>	<b>36,723,414</b>	<b>7,580,227</b>	<b>33,732,742</b>	<b>308,217,345</b>
<b>As at 31 December 2023</b>						
Cost	252,630,090	175,629,205	78,033,327	18,056,185	36,977,722	561,326,529
Depreciation and impairment	(110,571,668)	(87,506,665)	(41,309,913)	(10,475,958)	(3,244,980)	(253,109,184)
<b>Net book value</b>	<b>142,058,422</b>	<b>88,122,540</b>	<b>36,723,414</b>	<b>7,580,227</b>	<b>33,732,742</b>	<b>308,217,345</b>

**NIS Group**
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023**

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

**10. RIGHT-OF-USE ASSETS**

Movements in right-of-use assets for the year ended 31 December 2023 are as follows:

	Land	Property	Plant and equipment	Vehicles	Other	Total
<b>As at 1 January 2023</b>	<b>115,093</b>	<b>1,459,371</b>	<b>276,644</b>	<b>1,844,718</b>	-	<b>3,695,826</b>
Additions	2,542	154,343	213,308	549,768	-	919,961
Depreciation	(8,577)	(268,002)	(155,144)	(332,233)	-	(763,956)
Transfers	-	-	5,000	(6,994)	1,994	-
Disposals	-	3	(110,235)	(9,153)	-	(119,385)
Impairment	-	-	-	-	(1,994)	(1,994)
Foreign currency translation	(278)	(1,069)	(285)	(70)	-	(1,702)
<b>As at 31 December 2023</b>	<b>108,780</b>	<b>1,344,646</b>	<b>229,288</b>	<b>2,046,036</b>	-	<b>3,728,750</b>

**11. OTHER NON-CURRENT ASSETS**

	31 December 2023	31 December 2022
Advances paid for PPE	6,749,277	1,208,348
Prepaid expenses	104,566	142,503
Other assets	952,700	1,131,217
<i>Less allowance of other assets</i>	(287,549)	(341,519)
<i>Less allowance for advances paid</i>	(517,899)	(26,761)
	<b>7,001,095</b>	<b>2,113,788</b>

**12. SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT**

	31 December 2023	31 December 2022
Short-term loans	820,000	1,308,145
Interest payables	243,592	140,959
Other Short-term financial liabilities	171	-
Current portion of long-term loans (note 16)	10,761,083	5,811,404
	<b>11,824,846</b>	<b>7,260,508</b>

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

	Year ended 31 December 2023	2022
<b>Short-term loans at 1 January</b>	<b>1,308,145</b>	-
Proceeds	820,000	1,311,584
Repayment	(1,307,509)	-
Foreign exchange difference (note 21)	(636)	(3,439)
<b>Short-term loans at 31 December</b>	<b>820,000</b>	<b>1,308,145</b>

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023***(All amounts are in 000 RSD, unless otherwise stated)***13. TRADE AND OTHER PAYABLES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade payables	16,880,398	24,568,481
Dividends payable	3,783,595	3,783,818
Other accounts payable	39,923	103,572
	<b>20,703,916</b>	<b>28,455,871</b>

**14. OTHER CURRENT LIABILITIES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Contract liabilities arising from contracts with customers:		
- Advances received	5,136,000	11,395,388
- Customer loyalty	926,279	774,596
- Deferred income	88,916	48
Payables to employees	6,008,721	5,523,217
Other current non-financial liabilities	1,933,441	53,053
	<b>14,093,357</b>	<b>17,746,302</b>

Revenue in the amount of 8,004,503 RSD was recognized in the current reporting period (31 December 2022: 3,444,759 RSD) related to the contract liabilities as at 1 January 2023, of which 7,473,198 RSD (31 December 2022: 2,817,697 RSD) related to advances and 531,305 RSD (31 December 2022: 630,062 RSD) to customer loyalty programme.

Other current non-financial liabilities mainly relate to compensation for non-fulfillment of contractual obligations for the O&G minimum work programs that Group obliged on current research projects in amount of 1,794,373 RSD. This obligation was previously recognized as a provisions for liabilities and charges.

**15. OTHER TAXES PAYABLE**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Mineral extraction tax	483,058	441,244
VAT	1,771,559	4,314,755
Excise tax	8,264,105	7,996,666
Contribution for State commodity reserves	625,507	887,822
Custom duties	61,075	24,304
Energy efficiency fee	73,968	122,510
Other taxes	1,682,514	1,446,638
	<b>12,961,786</b>	<b>15,233,939</b>

**NIS Group**
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023**

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

**16. LONG-TERM DEBT**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Long-term loan	-	2,728,428
Bank loans	65,223,168	65,009,756
Other long-term borrowings	150,012	126,800
Less Current portion (note 12)	(10,761,083)	(5,811,404)
	<b>54,612,097</b>	<b>62,053,580</b>

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
<b>Long-term loans at 1 January</b>	<b>67,738,184</b>	<b>77,480,042</b>
Proceeds	3,380,401	4,499,752
Repayment	(5,825,632)	(14,063,305)
Non-cash transactions	20,343	(12,974)
Foreign exchange difference (note 21)	(90,128)	(165,331)
<b>Long-term loans at 31 December</b>	<b>65,223,168</b>	<b>67,738,184</b>

(a) *Bank loans*

	<b>31 December 2023</b>	<b>31 December 2022</b>
Domestic	48,366,114	48,275,922
Foreign	16,857,054	16,733,834
	65,223,168	65,009,756
Current portion of long-term loans	(10,761,083)	(3,082,976)
	<b>54,462,085</b>	<b>61,926,780</b>

The maturity of bank loans was as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Between 1 and 2 years	7,632,523	9,707,939
Between 2 and 5 years	45,494,977	47,889,786
Over 5 years	1,334,585	4,329,055
	<b>54,462,085</b>	<b>61,926,780</b>

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
USD	30,298	88,819
EUR	65,163,377	64,824,628
RSD	-	4,268
JPY	29,493	92,041
	<b>65,223,168</b>	<b>65,009,756</b>

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.

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023***(All amounts are in 000 RSD, unless otherwise stated)*

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 December 2023 and 31 December 2022, respectively.

**17. LEASE LIABILITIES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Non-current lease liabilities	3,010,984	2,413,671
Current lease liabilities	924,031	735,918
	<b>3,935,015</b>	<b>3,149,589</b>

Amounts recognized in profit and loss:

	<b>Year ended 31 December 2023</b>	<b>2022</b>
Interest expense (included in finance cost) (note 23)	160,516	68,835
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	103,413	342,565
Expense relating to leases of low value assets that are not shown above as short-term leases	51,477	64,077
Expense relating to variable lease payments not included in lease liabilities	2,304,661	1,459,684

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

	<b>Year ended 31 December 2023</b>	<b>2022</b>
<b>As at 1 January</b>	<b>3,149,589</b>	<b>2,335,974</b>
Repayment	(1,025,957)	(814,876)
Company incoming to consolidation	883,328	-
Non-cash transactions	938,612	1,630,618
Foreign exchange difference (note 21)	(10,557)	(2,127)
<b>As at 31 December</b>	<b>3,935,015</b>	<b>3,149,589</b>

**18. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES**

	<b>Three month period ended 31 December</b>		<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Employee costs	3,981,195	3,044,091	12,373,188	10,230,914
Materials and supplies (other than O&G and petroleum products)	969,650	760,881	3,479,421	2,637,915
Repair and maintenance services	1,425,658	1,100,977	4,084,089	3,400,779
Electricity for resale	4,003,938	5,955,189	14,121,674	9,058,463
Electricity and utilities	4,475,873	2,271,039	13,224,738	8,030,233
Safety and security expense	158,507	243,324	532,093	701,712
Transportation services for production	212,503	373,761	769,863	1,437,219
Other	1,657,311	1,173,850	6,516,151	6,779,382
	<b>16,884,635</b>	<b>14,923,112</b>	<b>55,101,217</b>	<b>42,276,617</b>

Electricity for resale represents par of other nonproduction and nonmanufacturing cost.



**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023***(All amounts are in 000 RSD, unless otherwise stated)***19. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

	Three month period ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Employee costs	5,971,650	5,295,918	20,709,654	17,627,462
Commission and agency fees	176,663	217,039	741,677	849,079
Legal, audit and consulting services	365,845	325,414	944,291	814,298
Current repair cost	392,834	397,209	1,351,598	1,233,726
Costs on advertising and marketing	96,800	118,684	373,572	339,866
Rent expense	11,477	18,231	60,157	118,631
Business trips expense	110,633	98,728	309,100	201,643
Safety and security expense	297,341	258,768	986,916	751,205
Insurance expense	22,930	20,876	101,102	93,706
Transportation and storage	67,153	47,728	247,642	215,137
Allowance for doubtful accounts	17,745	(544,328)	39,582	(523,766)
Other	1,733,196	1,500,191	6,019,558	5,324,054
	<b>9,264,267</b>	<b>7,754,458</b>	<b>31,884,849</b>	<b>27,045,041</b>

**20. OTHER INCOME/(EXPENSES), NET**

	Three month period ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Penalties	40,056	77,990	176,798	282,851
Provisions (legal, environmental, etc.)	10,377	(2,955,114)	(282,569)	(2,997,017)
Impairment of non-financial assets	(109,332)	(106,347)	(135,289)	(115,167)
Gain from write-off of accounts payable	53,826	12,988	59,344	17,126
ARO - Change in estimate	42,185	219,161	47,378	219,161
Charity and social payments	(177,751)	(146,128)	(7,248,576)	(162,030)
Gain from bargain purchase	8,918,255	-	8,918,255	-
Other	(52,091)	2,981,872	(287,034)	480,738
	<b>8,725,525</b>	<b>84,422</b>	<b>1,248,307</b>	<b>(2,274,338)</b>

Charity and social payments amounting to 7,248,576 RSD mainly relate to donations for support projects in the field of education, social and health care.

**21. NET FOREIGN EXCHANGE GAIN/(LOSS)**

	Three month period ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Foreign exchange gain/(loss) on financing activities including:				
- foreign exchange gain (note 12, 16 and 17)	81,180	48,966	365,233	643,850
- foreign exchange loss (note 12, 16 and 17)	(68,584)	(38,390)	(263,912)	(472,953)
Net foreign exchange gain/(loss) on operating activities	82,451	20,879	(355,815)	(2,338,996)
	<b>95,047</b>	<b>31,455</b>	<b>(254,494)</b>	<b>(2,168,099)</b>

**22. FINANCE INCOME**

	Three month period ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Interest on bank deposits	857,761	1,114,596	4,563,096	1,938,537
Interest income on loans issued	2,324	3,782	10,960	13,756
Dividend income	44,372	-	44,372	-
	<b>904,457</b>	<b>1,118,378</b>	<b>4,618,428</b>	<b>1,952,293</b>

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023***(All amounts are in 000 RSD, unless otherwise stated)***23. FINANCE EXPENSES**

	Three month period ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Interest expense	914,231	559,960	3,213,860	1,818,414
Losses on restructuring of borrowings	4,406	6,452	20,438	24,732
Decommissioning provision: unwinding of the present value discount	42,296	10,107	154,128	39,816
Provision of trade and other non-current receivables: discount	(63,245)	51,929	7,299	89,989
<i>Less: amounts capitalised on qualifying assets</i>	<i>(18,484)</i>	<i>(6,982)</i>	<i>(66,158)</i>	<i>(20,974)</i>
	<b>879,204</b>	<b>621,466</b>	<b>3,329,567</b>	<b>1,951,977</b>

Interest expense includes expenses on lease liabilities in the amount of 160,516 RSD for the year ended 31 December 2023 (98,355 RSD for the year ended 31 December 2022 accordingly) (Note 17).

**24. 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 2022. There were no transfers between the levels of the fair value hierarchy during 2023.

As of 31 December 2023 the carrying value of financial assets approximates their fair value.

**25. BUSINESS COMBINATIONS***Acquisition of HIP Petrohemija d.o.o. Pančevo*

In accordance with the Agreement on Strategic Partnership signed on 24 December 2021 between Government of Republic of Serbia, NIS a.d. Novi Sad and HIP Petrohemija doo Pančevo (HIPP), on 9 June 2023, the Group acquired control and registered an increase in the share in the capital of HIP Petrohemija (petrochemical complex) from the previous 20.86% to 90% with the obligation of additional capital increase in the amount of 17,591,055 RSD (150 million EUR) which will be used for construction of a plant for the production of polypropylene with a capacity of at least 140,000 tons per year within six years. As a result, the Group expects to diversify and to expand its business in the segment of petrochemical products after the implementation of the comprehensive investment program of modernisation and building new production capacities. For the purposes of consolidating the Group's financial statements, 30 June 2023 is considered the acquisition date.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The Group engaged independent appraiser to determine the fair value of the acquired assets and liabilities at the date of acquisition. In December 2023, the valuation was completed.

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023***(All amounts are in 000 RSD, unless otherwise stated)*

The fair values of the identifiable assets and liabilities of HIPP as at the date of acquisition were:

	<b>Fair value recognised on acquisition</b>
<b>Assets</b>	
Cash and cash equivalents	568,307
Trade and other receivables	2,707,063
Inventories	7,580,758
Short-term financial assets	588,292
Other current assets	1,257,277
Property, plant and equipment (note 9)	1,898,512
Other non-current assets	34,314
<b>Total assets acquired</b>	<b>14,634,523</b>
<b>Liabilities</b>	
Current provisions for liabilities and charges	(7,312)
Other current liabilities	(2,914,880)
Lease liabilities (note 17)	(883,328)
Non-current provisions for liabilities and charges	(820,458)
Deferred tax liabilities	(95,548)
Other non-current liabilities	(3,825)
<b>Total liabilities assumed</b>	<b>(4,725,351)</b>
<b>Total identifiable net assets at fair value</b>	<b>9,909,172</b>
Purchase consideration transferred	-
Non-controlling interest based on proportional interest in the recognized amounts of the net assets of HIPP (10%)	990,917
Fair value of pre-existing interest of HIPP	-
<b>Bargain purchase arising on acquisition (note 20)</b>	<b>8,918,255</b>
	<b>Cash flow on acquisition</b>
Cash consideration	-
Less: Balances acquired	568,307
Cash and cash equivalents	-
<b>Net cash inflow – investing activities</b>	<b>568,307</b>

The Group has no obligation to make other payments based on this transaction except for the fulfillment of the obligation under the strategic partnership agreement.

Bargain purchase has been recognized in profit and loss as Gain from bargain purchase within Other income/(expense), net line. The gain from the bargain purchase arose as the result of privatization of the Company based on a public bidding for a strategic partner taking into account unfavourable conditions in the industry in which the acquired entity operates at the time of acquisition, the state of equipment and facilities and the necessity of significant investment in the development of production capacities primarily polypropylene facilities, as well as the necessity of significant investment in ongoing maintenance of existing capacities, environmental protection and ensuring the long-term sustainability of the operations.

The acquisition date fair value of the trade receivables amounts to 2,707,063 RSD. The gross contractual amount of trade receivables is 3,084,488 RSD with a loss allowance of 377,425 RSD recognised on acquisition.

For the purposes of fair value estimation, HIP Petrohemija is viewed as a single cash-generating unit (CGU), which includes facilities for cracker ethylene, HDPE, LDPE and synthetic rubber.

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

Fair value of property, plant and equipment is determined by comparing the value of operating assets estimated using the cost and market approach normalized for the net working capital (NWC) with the value of CGU estimated applying discounted cash flow projections method. Key assumptions used are :

- a) a discount rate 10.9 per cent
- b) terminal growth rate 0 per cent
- c) a f/x RSD/EUR 117.30

From the date of acquisition, HIP Petrohemija contributed 9,707,659 RSD of revenue and 4,746,143 RSD to loss before tax from continuing operations of the Group. If the acquisition had taken place at the beginning of the year Consolidated Statement of Profit and Loss and Other Comprehensive Income of the Group would have included additional revenue of 19,203,848 RSD and loss before tax of 13,562,647 RSD from continuing operation of HIP Petrohemija.

There were no acquisitions in the year ending 31 December 2022.

## **26. 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 December 2023.

### *Economic environment in the Republic of Serbia*

The exacerbation of geopolitical situation as a result of further developments of the situation with Ukraine led to amplified volatility at commodity and financial markets. It is not possible to determine how long this increased volatility will last. A number of sanctions have been announced to restrict Russian entities operations and in such a situation, this could further impact the Group operations.

Currently the Group is continuing the assessment of the new sanctions' impact on the Group's operations.

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 466,555 RSD (31 December 2022: 508,332 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 December 2023 the Group has entered into contracts to purchase property, plant and equipment 2,861,058 RSD (31 December 2022: 311,970 RSD) and drilling and exploration works estimated to 89.78 USD million (31 December 2022: 96.93 USD million).

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

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023***(All amounts are in 000 RSD, unless otherwise stated)***27. 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.

In the year ended 31 December 2023 and in the same period in 2022, 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.

As at 31 December 2023 and 31 December 2022 the outstanding balances, presented net of impairment, with related parties were as follows:

	Parent company	Parent's subsidiaries and associates	Associates and joint venture
<b>As at 31 December 2023</b>			
Short-term financial assets	-	32,196	-
Trade and other receivables	-	231,618	84,568
Investments in joint venture and associates	-	-	2,729,005
Trade and other non-current receivables	-	-	669,618
Other current assets	-	16,917	-
Other non-current assets	-	72,113	-
Trade and other payables	-	(172,009)	(667,586)
Other current liabilities	-	(127)	(433)
	-	<b>180,708</b>	<b>2,145,554</b>
<b>As at 31 December 2022</b>			
Trade and other receivables	-	368,216	1,446,747
Investments in joint venture and associates	-	-	2,866,724
Other current assets	-	22,258	709,412
Right of use assets	-	197	-
Trade and other payables	(1,762)	(641,933)	(3,053,876)
Other current liabilities	-	(195)	(3,101)
Short-term debt and current portion of long-term debt	-	(2,728,428)	-
Current lease liabilities	-	(124)	-
Non-current lease liabilities	-	(50)	-
	<b>(1,762)</b>	<b>(2,980,059)</b>	<b>1,965,906</b>

For the year ended 31 December 2023 and 2022 the following transaction occurred with related parties:

	Parent	Parent's subsidiaries and associates	Associates and joint venture
<b>Year ended 31 December 2023</b>			
Revenues from sales of products and services	-	753,874	15,627,031
Expenses based on procurement of products and services	(5,218)	(1,493,155)	(14,611,811)
Other expenses	-	(43,650)	(61,936)
	<b>(5,218)</b>	<b>(782,931)</b>	<b>953,284</b>
<b>Year ended 31 December 2022</b>			
Revenues from sales of products and services	-	1,964,551	39,357,392
Expenses based on procurement of products and services	(7,292)	(116,893,430)	(8,696,807)
Other income/(expenses)	-	(147,867)	663
	<b>(7,292)</b>	<b>(115,076,746)</b>	<b>30,661,248</b>

**28. EVENTS AFTER THE REPORTING DATE**

There are no material events after the reporting date.

Subsequent events occurring after 31 December 2023 were evaluated through 30 January 2024, the date these Interim Condensed Consolidated Financial Statements were authorised for issue.

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2023**

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

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