



Naftna industrija Srbije A.D.

Interim Condensed Financial Statements (Unaudited)

30 September 2024

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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Interim Condensed Statement of Financial Position

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

		30 September 2024	31 December 2023
Assets	Note		
Current assets		(unaudited)	
Cash and cash equivalents	4	38,405,721	16,270,493
Short-term financial assets	5	31,093,760	50,017,699
Trade and other receivables	6	41,644,067	44,731,654
Inventories	7	58,809,234	59,328,301
Current income tax prepayments		8,293,789	7,380,049
Other current assets	8	13,680,576	8,886,275
Assets classified as held for sale		23,827	60,091
Total current assets		191,950,974	186,674,562
Non-current assets			
Property, plant and equipment	9	294,356,542	275,083,369
Right-of-use assets	10	2,832,968	2,808,073
Investment property		1,522,131	1,514,651
Intangible assets		3,775,139	3,836,403
Investments in joint venture		1,038,800	1,038,800
Investments in subsidiaries		31,016,682	31,016,682
Long-term financial assets	11	7,845,004	9,494,126
Deferred tax assets		3,898,291	3,527,437
Other non-current assets	12	3,214,605	4,899,484
Total non-current assets		349,500,162	333,219,025
Total assets		541,451,136	519,893,587
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	13	11,371,073	14,623,831
Current lease liabilities	18	491,330	522,002
Trade and other payables	14	37,856,231	22,867,531
Other current liabilities	15	8,045,223	9,652,270
Other taxes payable	16	14,702,867	11,579,451
Provisions for liabilities and charges		1,158,465	2,624,738
Total current liabilities		73,625,189	61,869,823
Non-current liabilities			
Long-term debt	17	59,976,642	54,465,457
Non-current lease liabilities	18	1,536,820	1,610,014
Other non-current financial liabilities	19	12,117,888	12,038,912
Long-term trade and other payables		2,866	2,868
Provisions for liabilities and charges		12,294,851	11,585,649
Total non-current liabilities		85,929,067	79,702,900
Equity			
Share capital		81,530,200	81,530,200
Reserves		37,620	34,408
Retained earnings		300,329,060	296,756,256
Total equity		381,896,880	378,320,864
Total liabilities and shareholder's equity		541,451,136	519,893,587

Kirill Tyurdenev
Chief Executive Officer
25 October 2024



Anton Cherepanov
Chief Financial Officer

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

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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 September		Nine month period ended 30 September	
		2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Sales of petroleum products, oil and gas		98,788,268	104,241,644	277,778,900	266,062,577
Other revenues		5,261,362	8,002,183	14,485,264	23,024,993
Total revenue from sales	3	104,049,630	112,243,827	292,264,164	289,087,570
Purchases of oil, gas and petroleum products		(71,959,029)	(62,843,257)	(199,460,318)	(164,482,647)
Production, manufacturing and cost of other sales	20	(9,896,511)	(11,860,000)	(27,623,486)	(35,185,413)
Selling, general and administrative expenses	21	(8,241,275)	(7,237,248)	(23,538,604)	(20,989,484)
Transportation expenses		(476,010)	(426,864)	(1,201,627)	(1,147,761)
Depreciation, depletion and amortization		(6,436,181)	(5,579,558)	(18,233,688)	(16,919,777)
Taxes other than income tax		(1,484,633)	(1,373,701)	(4,294,577)	(4,093,609)
Exploration expenses		-	(322)	(187)	(322)
Total operating expenses		(98,493,639)	(89,320,950)	(274,352,487)	(242,819,013)
Other income / (expenses), net	22	184,231	(16,964)	698,105	(7,160,347)
Operating profit		5,740,222	22,905,913	18,609,782	39,108,210
Net foreign exchange gain / (loss)	23	(289,112)	5,274	(585,735)	(104,478)
Finance income	24	736,043	1,017,657	1,992,953	4,576,942
Finance expenses	25	(1,003,682)	(848,514)	(2,870,641)	(2,451,676)
Total other (expenses) / income		(556,751)	174,417	(1,463,423)	2,020,788
Profit before income tax		5,183,471	23,080,330	17,146,359	41,128,998
Current income tax		(1,107,776)	(3,717,059)	(3,474,085)	(6,767,837)
Deferred tax income		94,851	159,983	370,853	540,950
Total income tax		(1,012,925)	(3,557,076)	(3,103,232)	(6,226,887)
Profit for the period		4,170,546	19,523,254	14,043,127	34,902,111
Other comprehensive income:					
Items that will not be reclassified to profit					
Gain on remeasurements of defined benefit plans		7,938	-	7,938	-
Gain from investments in equity instruments		-	8,431	52	8,276
Revaluation of property, plant and equipment transferred to investment property		3,160	-	3,160	-
Other comprehensive income for the period		11,098	8,431	11,150	8,276
Total comprehensive income for the period		4,181,644	19,531,685	14,054,277	34,910,387
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		25.58	119.73	86.12	214.04
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**

Nine month period ended 30 September 2024 and 2023

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

<i>(unaudited)</i>	Note	Share capital	Reserves	Retained earnings	Total
Balance as at 1 January 2023		81,530,200	93,904	278,192,015	359,816,119
Profit for the period		-	-	34,902,111	34,902,111
Other comprehensive gain					
Gain from investments in equity instruments		-	8,276	-	8,276
Total comprehensive income for the period		-	8,276	34,902,111	34,910,387
Dividend distribution		-	-	(23,364,925)	(23,364,925)
Disposal of investment in equity instrument		-	33,877	(33,877)	-
Internal transfer		-	(94,715)	94,715	-
Balance as at 30 September 2023		81,530,200	41,342	289,790,039	371,361,581

<i>(unaudited)</i>	Share capital	Reserves	Retained earnings	Total
Balance as at 1 January 2024	81,530,200	34,408	296,756,256	378,320,864
Profit for the period	-	-	14,043,127	14,043,127
Other comprehensive income				
Gain on remeasurements of defined benefit plans	-	-	7,938	7,938
Gain from investments in equity instruments	-	52	-	52
Revaluation of property, plant and equipment transferred to investment property	-	3,160	-	3,160
Total comprehensive income for the period	-	3,212	14,051,065	14,054,277
Dividend distribution	-	-	(10,478,261)	(10,478,261)
Balance as at 30 September 2024	81,530,200	37,620	300,329,060	381,896,880

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	Nine month period ended 30 September	
		2024	2023
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit before income tax		17,146,359	41,128,998
Adjustments for:			
Finance expenses	25	2,870,641	2,451,676
Finance income	24	(1,992,953)	(4,576,942)
Unrealised foreign exchange gain/(losses), net		586,820	(384,013)
Depreciation, depletion and amortization		18,233,688	16,919,777
Other non-cash items		146,813	322,816
Operating cash flow before changes in working capital		36,991,368	55,862,312
Changes in working capital:			
Trade and other receivables		3,161,820	(4,418,976)
Inventories		416,496	6,739,874
Other current assets		(4,685,740)	(1,577,234)
Trade payables and other current liabilities		13,160,240	(16,366,879)
Other taxes payable		3,123,417	3,563,726
Total effect on working capital changes		15,176,233	(12,059,489)
Income taxes paid		(4,386,321)	(25,373,621)
Interest paid		(2,524,118)	(2,031,143)
Interest received		2,620,650	3,022,600
Net cash generated by operating activities		47,877,812	19,420,659
Cash flows from investing activities			
Net cash outflow on acquisition of subsidiaries		-	(5,863,685)
Loans issued		(18,107,418)	(9,346,067)
Loan proceeds received		12,849,629	7,760,912
Capital expenditures ²		(36,816,437)	(19,623,043)
Proceeds from sale of property, plant and equipment		676,173	110,568
Bank deposits proceeds / (repayment), net		25,000,000	(19,000,000)
Other inflows		-	8,430
Net cash used in investing activities		(16,398,053)	(45,952,885)
Cash flows from financing activities			
Proceeds from borrowings	13,17	31,899,636	7,611,892
Repayment of borrowings	13,17	(29,548,187)	(13,874,926)
Repayment of lease liabilities	18	(528,875)	(477,098)
Dividends paid		(10,478,261)	(23,364,925)
Net cash used in financing activities		(8,655,687)	(30,105,057)
Net (decrease) / increase in cash and cash equivalents		22,824,072	(56,637,283)
Effect of foreign exchange on cash and cash equivalents		(688,844)	(170,062)
Cash and cash equivalents as of the beginning of the period		16,270,493	83,083,255
Cash and cash equivalents as of the end of the period	4	38,405,721	26,275,910

¹ Company's policy is to present cash flow inclusive of related VAT.² CF from investing activities includes VAT in the amount of 4.3 bln RSD (2023: 2.5 bln RSD)*The accompanying notes are an integral part of these Interim Condensed Financial Statements.*

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 is a public joint stock company listed 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 MATERIAL 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.

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 amendments to existing standards, which became effective on January 1, 2024, did not have a material impact on the Condensed Interim Financial Statements.

The Company plans to apply the new IFRS 18 Presentation and Disclosures in Financial Statements, as well as amendments to existing standards adopted but not effective at the date of issue of these Condensed Interim Financial Statements, when they become effective. The Company does not expect the amendments to existing standards to have a material impact on the Condensed Interim Financial Statements. In relation to the new standard, which will become effective from 1 January 2027 and will replace IAS 1 Presentation of Financial Statements, the Company is currently assessing its impact on the Financial Statements.

The Company does not disclose information, which would substantially duplicate the disclosures contained in its audited Financial Statements for 2023, 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 Financial Statements are read in conjunction with the Company's Financial Statements for 2023.

In the first nine months 2024 the volatility at commodity and financial markets is seen rising while the RSD remained stable relative to EUR and USD (the information on economic environment in the Republic Serbia is detailed in Note 27) due to geopolitical situation. Due to that during the third quarter of 2024 the Company didn't review the critical accounting estimates which are used by the Company in the Interim Condensed Consolidated Financial Statements preparation and which are assessed based on oil prices forecasts,

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

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

inflation and market borrowing rate. In particular as of 30 September 2024 the Company didn't review estimation of the recoverable amount of the non-current assets that is determined for the purpose of the impairment testing. 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. The Company continues monitoring the development of macroeconomic situation and emergence of possibility to make evaluation of the indicators mentioned above with reasonable certainty.

The results in these Interim Condensed Financial Statements for the three and nine month period ended 30 September 2024 are not necessarily indicative of the Company's 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 2023.

3. SEGMENT INFORMATION

Presented below is information about the Company's operating segments for the nine month period ended 30 September 2024 and 2023. 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.

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 nine month period ended 30 September 2024 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	40,528,448	294,277,139	(42,541,423)	292,264,164
Intersegment	40,482,137	2,059,286	(42,541,423)	-
External	46,311	292,217,853	-	292,264,164
Adjusted EBITDA (Segment results)	28,531,136	8,125,000	-	36,656,136
Depreciation, depletion and amortization	(9,752,501)	(8,481,187)	-	(18,233,688)
Net foreign exchange loss	(113,408)	(472,327)	-	(585,735)
Finance expenses, net	(113,355)	(764,333)	-	(877,688)
Income tax	(14,703)	(3,088,529)	-	(3,103,232)
Segment profit / (loss)	18,359,875	(4,316,748)	-	14,043,127

NIS a.d.**Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024***(All amounts are in 000 RSD, unless otherwise stated)*

Reportable segment results for the nine month period ended 30 September 2023 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	35,329,357	289,844,475	(36,086,262)	289,087,570
Intersegment	35,289,019	797,243	(36,086,262)	-
External	40,338	289,047,232	-	289,087,570
Adjusted EBITDA (Segment results)	23,615,318	32,726,418	-	56,341,736
Depreciation, depletion and amortization	(9,261,463)	(7,658,314)	-	(16,919,777)
Net foreign exchange loss	(69,882)	(34,596)	-	(104,478)
Finance income (expenses), net	(123,521)	2,248,787	-	2,125,266
Income tax	-	(6,226,887)	-	(6,226,887)
Segment profit	14,159,436	20,742,675	-	34,902,111

Adjusted EBITDA for the three and nine month period ended 30 September 2024 and 2023 is reconciled below:

	Three month period ended 30 September		Nine month period ended 30 September	
	2024	2023	2024	2023
Profit for the period	4,170,546	19,523,254	14,043,127	34,902,111
Income tax	1,012,925	3,557,076	3,103,232	6,226,887
Finance expenses	1,003,682	848,514	2,870,641	2,451,676
Finance income	(736,043)	(1,017,657)	(1,992,953)	(4,576,942)
Depreciation, depletion and amortization	6,436,181	5,579,558	18,233,688	16,919,777
Net foreign exchange loss/(gain)	289,112	(5,274)	585,735	104,478
Other expenses/(income), net	(184,231)	16,964	(698,105)	7,160,347
Other non-operating expense/(income), net*	232,587	80,206	510,771	(6,846,598)
Adjusted EBITDA	12,224,759	28,582,641	36,656,136	56,341,736

*Other non-operating expense/(income), net mainly relates to penalties and excess and deficiencies of assets revealed, (for 2023 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 22)

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

	Nine month period ended 30 September	
	2024	2023
Sale of gas	171,046	139,165
<i>Wholesale activities</i>	171,046	139,165
Sale of petroleum products	277,607,854	265,923,412
<i>Through a retail network</i>	80,327,841	80,410,567
<i>Wholesale activities</i>	197,280,013	185,512,845
Sale of electricity	686,762	11,091,913
Lease revenue	264,825	274,936
Other sales	13,533,677	11,658,144
Total sales	292,264,164	289,087,570

Other sales mainly relate to sales of non-fuel products at petrol stations for 9,639,611 RSD (2023: 8,156,028 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.

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**Notes to the Interim Condensed Financial Statements for the nine month period ended
30 September 2024**

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

4. CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Cash in bank and in hand	16,551,983	8,265,248
Deposits with original maturity of less than three months	21,850,000	8,000,000
Cash equivalents	3,738	5,245
	38,405,721	16,270,493

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

5. SHORT-TERM FINANCIAL ASSETS

	30 September 2024	31 December 2023
Short-term loans	6,450,256	1,045,218
Deposits with original maturity more than 3 months less than 1 year	-	26,290,896
Current portion of long-term investments (note 11)	34,532,665	32,578,321
<i>Less impairment loss provision</i>	<i>(9,889,161)</i>	<i>(9,896,736)</i>
	31,093,760	50,017,699

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

6. TRADE AND OTHER RECEIVABLES

	30 September 2024	31 December 2023
Trade receivables	48,789,364	52,053,320
Other receivables	86,866	95,494
<i>Less credit loss allowance for trade receivables</i>	<i>(7,204,640)</i>	<i>(7,386,577)</i>
<i>Less credit loss allowance for other receivables</i>	<i>(27,523)</i>	<i>(30,583)</i>
	41,644,067	44,731,654

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 mostly denominated in the RSD.

7. INVENTORIES

	30 September 2024	31 December 2023
Crude oil	32,376,210	32,326,837
Gas	102,269	-
Petroleum products	23,894,925	24,875,824
Materials and supplies	5,648,806	5,230,211
Other	1,141,987	1,291,956
<i>Less impairment provision</i>	<i>(4,354,963)</i>	<i>(4,396,527)</i>
	58,809,234	59,328,301

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**Notes to the Interim Condensed Financial Statements for the nine month period ended
30 September 2024**

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

8. OTHER CURRENT ASSETS

	30 September 2024	31 December 2023
Advances paid	2,172,714	887,650
Deferred VAT	3,696,028	3,017,260
Prepaid expenses	508,329	307,150
Prepaid custom duties	75,360	67,649
Prepaid excise	6,794,919	4,267,660
Other current assets	7,919,846	7,824,421
<i>Less impairment provision</i>	<i>(7,486,620)</i>	<i>(7,485,515)</i>
	13,680,576	8,886,275

Deferred VAT as at 30 September 2024 amounting to 3,696,028 RSD (31 December 2023: 3,017,260 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 September 2024 amounting to 6,794,919 RSD (31 December 2023: 4,267,660 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.

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

(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
As at 1 January 2024						
Cost	231,482,614	164,584,606	59,556,609	17,297,562	24,718,845	497,640,236
Depreciation and impairment	(97,852,172)	(78,620,068)	(34,081,293)	(10,196,954)	(1,806,380)	(222,556,867)
Net book value	133,630,442	85,964,538	25,475,316	7,100,608	22,912,465	275,083,369
Period ended 30 September 2024						
Additions	11,463,445	16,513,869	2,434,499	459,759	5,899,425	36,770,997
Changes in decommissioning obligations	220,577	-	-	-	-	220,577
Impairment	-	-	-	(2,922)	(4,954)	(7,876)
Depreciation	(9,651,395)	(5,970,485)	(1,503,262)	(344,715)	-	(17,469,857)
Transfer from non-current assets held for sale	-	-	-	11,935	-	11,935
Transfer from / (to) investment property	(13)	-	2,313	(12,731)	-	(10,431)
Disposals and write-off	(15,804)	(6,538)	(57,778)	(15,865)	(187)	(96,172)
Other transfers	6,465	(4,669)	10,151	(255,355)	97,408	(146,000)
	135,653,717	96,496,715	26,361,239	6,940,714	28,904,157	294,356,542
As at 30 September 2024						
Cost	242,893,546	180,990,781	61,615,297	17,029,323	30,715,491	533,244,438
Depreciation and impairment	(107,239,829)	(84,494,066)	(35,254,058)	(10,088,609)	(1,811,334)	(238,887,896)
Net book value	135,653,717	96,496,715	26,361,239	6,940,714	28,904,157	294,356,542

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

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

10. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the nine months ended 30 September 2024 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2024	1,426	800,397	173,626	1,832,624	2,808,073
Additions	13,794	168,148	94,022	272,631	548,595
Depreciation	(2,149)	(85,455)	(59,361)	(176,540)	(323,505)
Disposals	-	-	(1,548)	(198,647)	(200,195)
As at 30 September 2024	13,071	883,090	206,739	1,730,068	2,832,968

11. LONG-TERM FINANCIAL ASSETS

	30 September 2024	31 December 2023
LT loans issued	41,597,598	41,289,971
Financial assets at FVTPL	838,295	838,937
Other LT placements	24,605	28,655
Available for sale financial assets	124,316	128,683
Less Current portion of LT loans issued (note 5)	(34,532,665)	(32,578,321)
Less provision of LT financial assets	(207,145)	(213,799)
	7,845,004	9,494,126

12. OTHER NON-CURRENT ASSETS

	30 September 2024	31 December 2023
Advances paid for PPE	2,559,179	4,184,286
Prepaid expenses	79,984	104,566
Other assets	897,344	916,063
Less allowance for other assets	(287,916)	(284,068)
Less allowance for advances paid	(33,986)	(21,363)
	3,214,605	4,899,484

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

	30 September 2024	31 December 2023
Short-term loans	2,648,262	3,606,281
Interest liabilities	317,669	256,467
Current portion of long-term loans (note 17)	8,405,142	10,761,083
	11,371,073	14,623,831

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

	Nine month period ended 30 September	
	2024	2023
Short-term loans at 1 January	3,606,281	5,345,097
Proceeds	19,844,268	7,611,892
Repayment	(20,802,287)	(9,568,018)
Foreign exchange difference (note 23)	-	(464)
Short-term loans at 30 September	2,648,262	3,388,507

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

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

14. TRADE AND OTHER PAYABLES

	30 September 2024	31 December 2023
Trade payables	34,063,878	19,062,793
Dividends payable	3,783,422	3,783,595
Other accounts payable	8,931	21,143
	37,856,231	22,867,531

As at 30 September 2024 trade payables amounting to 34,063,878 RSD (31 December 2023: 19,062,793 RSD) mainly relate to payables for crude oil in the amount of 13,559,853 RSD (31 December 2023: 0 RSD).

15. OTHER CURRENT LIABILITIES

	30 September 2024	31 December 2023
Contract liabilities arising from contracts with customers:		
- Advances received	3,517,492	4,747,256
- Customer loyalty	954,657	843,176
- Deferred income	50,181	45,170
Payables to employees	3,296,405	3,931,046
Other current non-financial liabilities	226,488	85,622
	8,045,223	9,652,270

Revenue in the amount of 4,733,792 RSD (30 September 2023: 7,763,911 RSD) was recognized in the current reporting period related to the contract liabilities as at 1 January 2024, of which 4,242,124 RSD (30 September 2023: 7,356,947 RSD) related to advances and 491,668 RSD (30 September 2023: 406,964 RSD) to customer loyalty programme.

16. OTHER TAXES PAYABLE

	30 September 2024	31 December 2023
Mineral extraction tax	449,581	471,143
VAT	3,562,981	1,202,951
Excise tax	9,069,223	8,121,033
Contribution for State commodity reserves	355,328	625,507
Custom duties	84,740	28,928
Energy efficiency fee	38,841	72,972
Other taxes	1,142,173	1,056,917
	14,702,867	11,579,451

17. LONG-TERM DEBT

	30 September 2024	31 December 2023
Bank loans	68,378,781	65,223,168
Other Long-term borrowings	3,003	3,372
Less Current portion (note 13)	(8,405,142)	(10,761,083)
	59,976,642	54,465,457

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

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

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

	Nine month period ended 30 September	
	2024	2023
Long-term loans at 1 January	65,223,168	67,738,184
Proceeds	12,055,368	-
Repayment	(8,745,900)	(4,306,908)
Non-cash transactions	(106,155)	15,945
Foreign exchange difference (note 23)	(47,700)	(75,400)
Long-term loans at 30 September	68,378,781	63,371,821

Bank loans

	30 September 2024	31 December 2023
Domestic	52,160,163	48,366,114
Foreign	16,218,618	16,857,054
	68,378,781	65,223,168
Current portion of long-term loans	(8,405,142)	(10,761,083)
	59,973,639	54,462,085

The maturity of bank loans was as follows:

	30 September 2024	31 December 2023
Between 1 and 2 years	31,738,004	7,632,523
Between 2 and 5 years	27,319,802	45,494,977
Over 5 years	915,833	1,334,585
	59,973,639	54,462,085

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

	30 September 2024	31 December 2023
USD	-	30,298
EUR	68,378,781	65,163,377
JPY	-	29,493
	68,378,781	65,223,168

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. Management expects that the Company will be able to fulfil 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 September 2024 and 31 December 2023, respectively.

18. LEASE LIABILITIES

	30 September 2024	31 December 2023
Non-current lease liabilities	1,536,820	1,610,014
Current lease liabilities	491,330	522,002
	2,028,150	2,132,016

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

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

Amounts recognized in profit and loss:

	Nine month period ended 30 September	
	2024	2023
Interest expense (included in finance cost) (note 25)	73,978	70,252
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	66,971	2,700
Expense relating to leases of low value assets that are not shown above as short-term leases	7,326	7,912
Expense relating to variable lease payments not included in lease liabilities	935,137	885,540

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

	Nine month period ended 30 September	
	2024	2023
As at 1 January	2,132,016	2,295,379
Repayment	(528,875)	(477,098)
Non-cash transactions	428,580	177,427
Foreign exchange difference (note 23)	(3,571)	(6,808)
As at 30 September	2,028,150	1,988,900

19. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in the amount of 12,117,888 RSD (2023: 12,038,912 RSD) represents deferred consideration in the amount of 838,295 RSD (2023: 838,937 RSD) for O&G exploration project and liabilities for additional capital contribution associated with the new plant construction program in the amount of 11,279,593 RSD (2023: 11,199,975 RSD).

20. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 30 September		Nine month period ended 30 September	
	2024	2023	2024	2023
Employee costs	1,131,252	1,024,717	3,206,312	3,004,707
Materials and supplies (other than O&G and petroleum products)	338,920	317,630	899,245	910,862
Repair and maintenance services	1,411,257	1,267,852	3,817,966	3,896,513
Electricity for resale	35,425	3,309,935	72,212	10,115,102
Electricity and utilities	2,213,533	1,798,288	6,731,594	6,010,652
Safety and security expense	231,492	163,898	457,774	439,999
Transportation services for production	378,437	340,744	1,176,691	1,005,534
Other	4,156,195	3,636,936	11,261,692	9,802,044
	9,896,511	11,860,000	27,623,486	35,185,413

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

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

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

21. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 30 September		Nine month period ended 30 September	
	2024	2023	2024	2023
Employee costs	3,686,130	3,326,735	10,945,979	9,807,544
Commission and agency fees	1,421,963	1,306,743	4,107,114	3,738,277
Legal, audit and consulting services	559,398	374,335	1,295,741	1,121,952
Current repair cost	367,413	323,862	1,028,363	914,038
Costs on advertising and marketing	100,628	93,544	275,487	245,533
Rent expense	19,885	5,814	77,609	14,267
Business trips expense	98,071	83,193	241,988	174,931
Safety and security expense	271,127	212,691	742,274	636,505
Insurance expense	28,468	28,520	78,207	74,679
Transportation and storage	85,462	55,200	241,438	153,413
Allowance for doubtful accounts	(20,094)	1,752	(28,966)	10,227
Other	1,622,824	1,424,859	4,533,370	4,098,118
	8,241,275	7,237,248	23,538,604	20,989,484

22. OTHER INCOME (EXPENSES), NET

	Three month period ended 30 September		Nine month period ended 30 September	
	2024	2023	2024	2023
Penalties	151,479	34,958	421,678	130,213
Provisions	(32,567)	461	(55,472)	(31,307)
Impairment (reversal) of non financial assets	(14,720)	(13,105)	(21,274)	(26,106)
Charity and social payments	(7,054)	(3,665)	(24,735)	(7,070,405)
Others	87,093	(35,613)	377,908	(162,742)
	184,231	(16,964)	698,105	(7,160,347)

Charity and social payments amounting to 24,735 RSD (2023: 7,070,405 RSD) mainly relate to donations for support projects in the field of education, social and health care.

23. NET FOREIGN EXCHANGE GAIN / (LOSS)

	Three month period ended 30 September		Nine month period ended 30 September	
	2024	2023	2024	2023
Foreign exchange gain (loss) on financing activities including:				
- foreign exchange gain (note 13,17,18,19)	36,579	10,677	171,169	151,871
- foreign exchange loss (note 13,17,18,19)	(58,954)	(22,443)	(110,928)	(69,199)
Net foreign exchange gain / (loss) on operating activities	(266,737)	17,040	(645,976)	(187,150)
	(289,112)	5,274	(585,735)	(104,478)

24. FINANCE INCOME

	Three month period ended 30 September		Nine month period ended 30 September	
	2024	2023	2024	2023
Interest on bank deposits	381,933	838,335	1,230,581	3,446,852
Gains on restructuring of borrowings	117,796	5,777	117,796	17,340
Revaluation of equity investment at fair value - income	-	(29,298)	-	546,770
Interest income on loans issued	236,314	202,843	644,576	565,980
	736,043	1,017,657	1,992,953	4,576,942

*(All amounts are in 000 RSD, unless otherwise stated)***25. FINANCE EXPENSES**

	Three month period ended 30 September		Nine month period ended 30 September	
	2024	2023	2024	2023
Interest expense	930,689	819,742	2,643,059	2,299,764
Losses on restructuring of borrowings	3,713	4,821	11,643	16,032
Decommissioning provision: unwinding of the present value discount	37,790	37,865	111,019	109,318
Provision of trade and other non-current receivables: discount	23,979	1,583	76,142	70,544
Revaluation of equity investment at fair value - expense	29,607	-	88,588	-
Less: amounts capitalised on qualifying assets	(22,096)	(15,497)	(59,810)	(43,982)
	1,003,682	848,514	2,870,641	2,451,676

Interest expense includes expenses on lease liabilities in amount of 73,978 RSD for the nine months ended 30 September 2024 (70,252 RSD for the nine months ended 30 September 2023, accordingly) (note 18).

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 2023. There were no transfers between the levels of the fair value hierarchy during the interim period.

As of 30 September 2024 the carrying value of financial assets approximates their fair value.

27. CONTINGENCIES AND COMMITMENTS*Taxes*

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the 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 September 2024.

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. Frequent changes and tightening of sanctions may have and additional impact on the Company's operations.

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

The Company has established internal procedures to ensure compliance with the sanctions requirements in the course of its business activities. The purpose is to eliminate risks and potential negative consequences for the Company that could result from a violation of requirements and restrictions imposed by international sanctions.

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.

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

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

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 428,480 RSD (31 December 2023: 451,287 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.

Capital commitments

As of 30 September 2024 the Company has entered into contracts to purchase property, plant and equipment for 5,036,727 RSD (31 December 2023: 2,861,058 RSD).

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

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.

In the nine month period ended 30 September 2024 and in the same period in 2023, the Company entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to sale of petroleum products and energy.

As at 30 September 2024 and 31 December 2023 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 September 2024			
Short-term financial assets	31,093,760	-	-
Trade and other receivables	11,075,643	-	10,171
Other current assets	1,784	-	1,380,728
Right of use assets	97,693	-	-
Investments accounted for using equity method	-	-	1,038,800
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	7,740,333	-	-
Other non-current assets	60,337	-	-
Trade and other payables	(8,225,434)	-	(347,111)
Other current liabilities	(23,596)	-	(412)
Short-term debt	(2,658,351)	-	-
Current lease liabilities	(7,082)	-	-
Non-current lease liabilities	(93,866)	-	-
Other non-current financial liabilities	(11,279,593)	-	-
	58,798,310	-	2,082,176

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Notes to the Interim Condensed Financial Statements for the nine month period ended 30 September 2024

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

			Joint ventures, associates and parent's subsidiaries and associates
As at 31 December 2023	Subsidiaries	Parent company	
Short-term financial assets	23,726,803	-	-
Trade and other receivables	13,735,659	-	113,387
Other current assets	3,271	-	16,553
Right of use assets	75,408	-	-
Investments accounted for using equity method	-	-	1,038,800
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	9,387,567	-	-
Other non-current assets	88,847	-	72,113
Trade and other payables	(7,017,861)	-	(774,636)
Other current liabilities	(98,543)	-	(442)
Short-term debt	(2,799,157)	-	-
Current lease liabilities	(6,029)	-	-
Non-current lease liabilities	(72,895)	-	-
Other non-current financial liabilities	(11,199,975)	-	-
	56,839,777	-	465,775

For the nine month period ended 30 September 2024 and 30 September 2023 the following transaction occurred with related parties:

			Joint ventures, associates and parent's subsidiaries, and associates
Nine month period ended 30 September 2024	Subsidiaries	Parent company	
Revenues from sales of products and services	38,431,559	-	194,700
Expenses based on procurement of products and services	(16,759,208)	-	(2,671,444)
Other income (expenses), net	415,881	-	(253)
	22,088,232	-	(2,476,997)

			Joint ventures, associates and parent's subsidiaries, and associates
Nine month period ended 30 September 2023	Subsidiaries	Parent company	
Revenues from sales of products and services	26,273,534	-	15,946,053
Expenses based on procurement of products and services	(11,479,320)	(5,218)	(11,452,093)
Other income (expenses), net	1,038,676	-	(39,599)
	15,832,890	(5,218)	4,454,361

29. EVENTS AFTER THE REPORTING DATE

Subsequent events occurring after 30 September 2024 were evaluated through 25 October 2024, the date these Interim Condensed Financial Statements were authorised for issue.

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**Notes to the Interim Condensed Financial Statements for the nine month period ended
30 September 2024**

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

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