



Naftna industrija Srbije A.D.

Interim Condensed Financial Statements (Unaudited)

31 December 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)

Assets	Note	31 December 2024	31 December 2023
Current assets		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash and cash equivalents	4	38,821,710	16,270,493
Short-term financial assets	5	32,871,239	50,017,699
Trade and other receivables	6	39,377,979	44,731,654
Inventories	7	42,037,198	59,328,301
Current income tax prepayments		7,549,680	7,380,049
Other current assets	8	12,610,817	8,886,275
Assets classified as held for sale		17,915	60,091
Total current assets		173,286,538	186,674,562
Non-current assets			
Property, plant and equipment	9	299,210,788	275,083,369
Right-of-use assets	10	2,822,458	2,808,073
Investment property		1,512,766	1,514,651
Intangible assets		3,968,112	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	7,228,512	9,494,126
Deferred tax assets		4,278,690	3,527,437
Other non-current assets	12	3,474,598	4,899,484
Total non-current assets		354,551,406	333,219,025
Total assets		527,837,944	519,893,587
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	13	11,426,713	14,623,831
Current lease liabilities	18	488,755	522,002
Trade and other payables	14	20,440,011	22,867,531
Other current liabilities	15	10,525,538	9,652,270
Other taxes payable	16	13,139,353	11,579,451
Provisions for liabilities and charges		1,155,490	2,624,738
Total current liabilities		57,175,860	61,869,823
Non-current liabilities			
Long-term debt	17	58,216,807	54,465,457
Non-current lease liabilities	18	1,497,645	1,610,014
Other non-current financial liabilities	19	12,140,168	12,038,912
Long-term trade and other payables		-	2,868
Provisions for liabilities and charges		12,652,906	11,585,649
Total non-current liabilities		84,507,526	79,702,900
Equity			
Share capital		81,530,200	81,530,200
Reserves		41,960	34,408
Retained earnings		304,582,398	296,756,256
Total equity		386,154,558	378,320,864
Total liabilities and shareholder's equity		527,837,944	519,893,587


 Kirill Tyurdenev
 Chief Executive Officer
 31 January 2025


 Anton Cherepanov
 Chief Financial Officer

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

NIS a.d.

Interim Condensed Statement of Profit and Loss and Other Comprehensive Income

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

	Note	Three month period ended 31 December		Year ended 31 December	
		2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Sales of petroleum products, oil and gas		93,955,108	93,390,200	371,734,008	359,452,777
Other revenues		4,782,548	8,776,487	19,267,812	31,801,480
Total revenue from sales	3	98,737,656	102,166,687	391,001,820	391,254,257
Purchases of oil, gas and petroleum products		(65,471,346)	(62,333,102)	(264,931,664)	(226,815,749)
Production, manufacturing and cost of other sales	20	(10,494,400)	(13,930,235)	(38,117,886)	(49,115,648)
Selling, general and administrative expenses	21	(9,587,809)	(9,431,004)	(33,126,413)	(30,420,488)
Transportation expenses		(508,199)	(446,635)	(1,709,826)	(1,594,396)
Depreciation, depletion and amortization		(5,999,169)	(5,674,018)	(24,232,857)	(22,593,795)
Taxes other than income tax		(1,468,733)	(1,527,884)	(5,763,310)	(5,621,493)
Exploration expenses		-	(162,986)	(187)	(163,308)
Total operating expenses		(93,529,656)	(93,505,864)	(367,882,143)	(336,324,877)
Other income/(expenses), net	22	154,637	(182,632)	852,742	(7,342,979)
Operating profit		5,362,637	8,478,191	23,972,419	47,586,401
Net foreign exchange gain/(loss)	23	(136,090)	(15,517)	(721,825)	(119,995)
Finance income	24	720,479	977,321	2,713,432	5,554,263
Finance expenses	25	(927,203)	(809,402)	(3,797,844)	(3,261,078)
Total other (expenses) / income		(342,814)	152,402	(1,806,237)	2,173,190
Profit before income tax		5,019,823	8,630,593	22,166,182	49,759,591
Current income tax		(1,049,873)	(1,623,697)	(4,523,958)	(8,391,534)
Deferred tax income		367,501	5,621	738,354	546,571
Total income tax		(682,372)	(1,618,076)	(3,785,604)	(7,844,963)
Profit for the period		4,337,451	7,012,517	18,380,578	41,914,628
Other comprehensive income/(loss):					
Items that will not be reclassified to profit/(loss)					
Losses on remeasurements of defined benefit plans		(79,961)	(53,257)	(72,023)	(53,257)
Gain from investments in equity instruments		-	23	52	8,299
Revaluation of property, plant and equipment transferred to investment property		240	-	3,400	-
Other comprehensive losses for the period		(79,721)	(53,234)	(68,571)	(44,958)
Total comprehensive income for the period		4,257,730	6,959,283	18,312,007	41,869,670
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		26.60	43.01	112.72	257.05
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**

Year ended 31 December 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		-	-	41,914,628	41,914,628
Other comprehensive gain					
Gain from investments in equity instruments		-	8,299	-	8,299
Losses on remeasurements of defined benefit plans		-	-	(53,257)	(53,257)
Total comprehensive income for the period		-	8,299	41,861,371	41,869,670
Dividend distribution		-	-	(23,364,925)	(23,364,925)
Disposal of investment in equity instrument		-	33,877	(33,877)	-
Other		-	(101,672)	101,672	-
Balance as at 31 December 2023		81,530,200	34,408	296,756,256	378,320,864

<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	-	-	18,380,578	18,380,578
Other comprehensive income				
Gain from investments in equity instruments	-	52	-	52
Losses on remeasurements of defined benefit plans	-	-	(72,023)	(72,023)
Revaluation of property, plant and equipment transferred to investment property	-	3,400	-	3,400
Total comprehensive income for the period	-	3,452	18,308,555	18,312,007
Dividend distribution	-	-	(10,478,261)	(10,478,261)
Other	-	4,100	(4,152)	(52)
Balance as at 31 December 2024	81,530,200	41,960	304,582,398	386,154,558

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	Year ended 31 December	
		2024	2023
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit before income tax		22,166,182	49,759,591
Adjustments for:			
Finance expenses	25	3,797,844	3,261,078
Finance income	24	(2,713,432)	(5,554,263)
Unrealised foreign exchange losses, net		732,508	152,734
Depreciation, depletion and amortization		24,232,857	22,593,795
Other non-cash items		62,452	1,243,488
Operating cash flow before changes in working capital		48,278,411	71,456,423
Changes in working capital:			
Trade and other receivables		5,397,214	(1,818,387)
Inventories		17,147,808	(5,248,368)
Other current assets		(3,605,399)	674,173
Trade payables and other current liabilities		4,048,526	(10,604,867)
Other taxes payable		1,572,346	(2,546,802)
Total effect on working capital changes		24,560,495	(19,544,251)
Income taxes paid		(4,703,104)	(29,759,941)
Interest paid		(3,479,357)	(2,850,211)
Interest received		3,141,175	3,423,032
Net cash generated by operating activities		67,797,620	22,725,052
Cash flows from investing activities			
Net cash outflow on acquisition of subsidiaries		-	(5,863,685)
Loans issued		(28,672,831)	(12,067,065)
Loan proceeds received		22,374,473	11,494,171
Capital expenditures ²		(53,606,816)	(35,905,901)
Proceeds from sale of property, plant and equipment		774,284	151,307
Bank deposits proceeds / (repayment), net		25,000,000	(18,997,188)
Dividends received		58,599	44,372
Other inflows		-	8,441
Net cash used in investing activities		(34,072,291)	(61,135,548)
Cash flows from financing activities			
Proceeds from borrowings	13,17	36,597,922	14,368,904
Repayment of borrowings	13,17	(37,696,807)	(18,552,316)
Repayment of lease liabilities	18	(684,903)	(629,948)
Dividends paid		(10,478,261)	(23,364,925)
Other inflows of cash		1,871,610	-
Net cash used in financing activities		(10,390,439)	(28,178,285)
Net increase/(decrease) in cash and cash equivalents		23,334,890	(66,588,781)
Effect of foreign exchange on cash and cash equivalents		(783,673)	(223,981)
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	38,821,710	16,270,493

¹ Company's policy is to present cash flow inclusive of related VAT.² CF from investing activities includes VAT in the amount of 6.2 bln RSD (2023: 4 bln RSD)*The accompanying notes are an integral part of these Interim Condensed Financial Statements.*

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

1. GENERAL INFORMATION

Open Joint Stock Company Naftna Industrija Srbije, Novi Sad (the “Company”) is a vertically integrated oil company operating predominantly in the Republic of Serbia. The Company’s principal activities include:

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

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

The Company 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 based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, management reviews forecasts of future cash inflows. Based on these reviews, management believes that the Company will be able to continue to operate as a going concern in the foreseeable future (refer to note 2.3. Implication of imposed US Sanctions) and therefore, this principle should be applied in the preparation of these Interim Condensed Financial Statements.

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

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

if these Interim Financial Statements are read in conjunction with the Company's Financial Statements for 2023.

In the 2024 the volatility at commodity and financial markets is seen rising while the RSD remained stable relative to EUR and depreciated to USD (the information on economic environment in the Republic Serbia is detailed in Note 27) 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. 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 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.

2.3. Implication of imposed US Sanctions

On 10 January 2025 Company was included on the US Treasury Specially Designated Nationals and Blocked Persons (SDN) List. This designation imposes prohibitions on transactions by US persons or entities with Company. Additionally, the designation may trigger secondary sanctions for non-US entities that engage in certain types of transactions with Company starting from sanction issuance date.

Management has conducted an assessment of the potential implications of these sanctions. However, due to the inherent uncertainties surrounding:

- The scope and enforcement of the sanctions,
- Their durations, and
- The evolving geopolitical and economic environment

the full impact of the Company's financial position, operations, and performance remains unclear.

As a result, no adjustment have been recognised in these Interim Condensed Financial Statements for the reporting period ended 31 December 2024. This includes any impairments, provisions or changes in estimates related to the sanctions.

Although no adjustments have been made, management has identified the following areas where sanctions could have a material impact in the future:

1. **Financial transactions:** Restricted access to US dollar transactions and potential limitations on dealings with international financial institutions.
2. **Business relationship:** Potential disruption to relationship with key suppliers, customers, and partners who may be reluctant to engage with Company due to sanctions compliance.
3. **Revenue and Profitability:** A reduction in revenue if trade activities are constrained or contracts with international counterparties are terminated.
4. **Operational challenges:** Potential delays or additional costs related to supply chain disruptions and sourcing of critical inputs (crude oil, critical equipment etc.)

Management of the Company is actively monitoring these restrictions and is exploring alternative solutions to mitigate any potential adverse effects on its operations and financial performance.

Working group has been formed, involving all key shareholders of the Company, to explore possible solutions aimed at eliminating or reducing the impact of the imposed sanctions while ensuring the long-term sustainability of the company's operations as priority.

NIS a.d.**Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024**

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

Management of the Company has assessed the Company ability to continue as a going concern and concluded that, at the reporting date, there are no material uncertainties that would cast significant doubt on the Company ability to meet its obligations. However, the evolving situation may materially affect future results and financial positions.

3. SEGMENT INFORMATION

Presented below is information about the Company's operating segments for the year ended 31 December 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 year ended 31 December 2024 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	57,869,171	388,557,695	(55,425,046)	391,001,820
Intersegment	52,736,119	2,688,927	(55,425,046)	-
External	5,133,052	385,868,768	-	391,001,820
Adjusted EBITDA (Segment results)	37,949,644	10,005,551	-	47,955,195
Depreciation, depletion and amortization	(12,965,557)	(11,267,300)	-	(24,232,857)
Net foreign exchange loss	(184,880)	(536,945)	-	(721,825)
Finance expenses, net	(149,255)	(935,157)	-	(1,084,412)
Income tax	(329,842)	(3,455,762)	-	(3,785,604)
Segment profit/(loss)	24,359,833	(5,979,255)	-	18,380,578

NIS a.d.**Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024***(All amounts are in 000 RSD, unless otherwise stated)*

Reportable segment results for the year ended 31 December 2023 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	48,442,396	393,707,606	(50,895,745)	391,254,257
Intersegment	48,388,424	2,507,321	(50,895,745)	-
External	53,972	391,200,285	-	391,254,257
Adjusted EBITDA (Segment results)	32,337,898	38,169,490	-	70,507,388
Depreciation, depletion and amortization	(12,450,152)	(10,143,643)	-	(22,593,795)
Net foreign exchange loss	(43,509)	(76,486)	-	(119,995)
Finance income (expenses), net	(152,330)	2,445,515	-	2,293,185
Income tax	-	(7,844,963)	-	(7,844,963)
Segment profit	19,713,344	22,201,284	-	41,914,628

Adjusted EBITDA for the year ended 31 December 2024 and 2023 is reconciled below:

	Three month period ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Profit for the period	4,337,451	7,012,517	18,380,578	41,914,628
Income tax	682,372	1,618,076	3,785,604	7,844,963
Finance expenses	927,203	809,402	3,797,844	3,261,078
Finance income	(720,479)	(977,321)	(2,713,432)	(5,554,263)
Depreciation, depletion and amortization	5,999,169	5,674,018	24,232,857	22,593,795
Net foreign exchange loss	136,090	15,517	721,825	119,995
Other expenses/(income), net	(154,637)	182,632	(852,742)	7,342,979
Other non-operating expense/(income), net*	91,890	(169,189)	602,661	(7,015,787)
Adjusted EBITDA	11,299,059	14,165,652	47,955,195	70,507,388

*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:

	Year ended 31 December	
	2024	2023
Sale of crude oil	5,042,244	-
Sale of gas	217,712	190,850
<i>Wholesale activities</i>	217,712	190,850
Sale of petroleum products	366,474,052	359,261,927
<i>Through a retail network</i>	106,235,625	110,382,013
<i>Wholesale activities</i>	260,238,427	248,879,914
Sale of electricity	933,083	15,406,532
Lease revenue	357,872	369,617
Other sales	17,976,857	16,025,331
Total sales	391,001,820	391,254,257

Other sales mainly relate to sales of non-fuel products at petrol stations for 12,788,758 RSD (2023: 11,031,630 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.

NIS a.d.**Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024***(All amounts are in 000 RSD, unless otherwise stated)***4. CASH AND CASH EQUIVALENTS**

	31 December 2024	31 December 2023
Cash in bank and in hand	9,955,372	8,265,248
Deposits with original maturity of less than three months	28,862,541	8,000,000
Cash equivalents	3,797	5,245
	38,821,710	16,270,493

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

5. SHORT-TERM FINANCIAL ASSETS

	31 December 2024	31 December 2023
Short-term loans	7,601,578	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)	35,152,987	32,578,321
<i>Less impairment loss provision</i>	<i>(9,883,326)</i>	<i>(9,896,736)</i>
	32,871,239	50,017,699

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

6. TRADE AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
Trade receivables	46,483,687	52,053,320
Other receivables	98,729	95,494
<i>Less credit loss allowance for trade receivables</i>	<i>(7,176,610)</i>	<i>(7,386,577)</i>
<i>Less credit loss allowance for other receivables</i>	<i>(27,827)</i>	<i>(30,583)</i>
	39,377,979	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

	31 December 2024	31 December 2023
Crude oil	19,942,889	32,326,837
Petroleum products	19,295,703	24,875,824
Materials and supplies	5,771,208	5,230,211
Other	1,353,517	1,291,956
<i>Less impairment provision</i>	<i>(4,326,119)</i>	<i>(4,396,527)</i>
	42,037,198	59,328,301

NIS a.d.
Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024

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

8. OTHER CURRENT ASSETS

	31 December 2024	31 December 2023
Advances paid	1,341,449	887,650
Deferred VAT	3,599,608	3,017,260
Prepaid expenses	460,521	307,150
Prepaid custom duties	75,447	67,649
Prepaid excise	6,683,336	4,267,660
Other current assets	7,936,113	7,824,421
<i>Less impairment provision</i>	<i>(7,485,657)</i>	<i>(7,485,515)</i>
	<u>12,610,817</u>	<u>8,886,275</u>

Deferred VAT as at 31 December 2024 amounting to 3,599,608 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 31 December 2024 amounting to 6,683,336 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 year ended 31 December 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 31 December 2024						
Additions	16,510,657	17,107,845	7,078,932	787,821	6,067,485	47,552,740
Changes in decommissioning obligations	479,398	-	-	-	-	479,398
Impairment effect, net	-	-	-	(2,922)	63,011	60,089
Depreciation	(12,833,414)	(8,166,256)	(1,858,695)	(413,811)	-	(23,272,176)
Transfer from/(to) non-current assets held for sale	-	-	-	12,052	(85,111)	(73,059)
Transfer from/(to) investment property	(13)	-	2,313	(12,732)	-	(10,432)
Disposals and write-off	(30,297)	(32,181)	(66,426)	(15,927)	(186)	(145,017)
Other transfers	7,074	(15,190)	11,170	(258,326)	(208,852)	(464,124)
	137,763,847	94,858,756	30,642,610	7,196,763	28,748,812	299,210,788
As at 31 December 2024						
Cost	248,033,301	181,088,848	66,121,557	17,227,220	28,956,223	541,427,149
Depreciation and impairment	(110,269,454)	(86,230,092)	(35,478,947)	(10,030,457)	(207,411)	(242,216,361)
Net book value	137,763,847	94,858,756	30,642,610	7,196,763	28,748,812	299,210,788

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Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024

(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 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	194,522	128,253	304,571	641,140
Depreciation	(3,121)	(109,237)	(80,939)	(233,263)	(426,560)
Disposals	-	-	(1,548)	(198,647)	(200,195)
As at 31 December 2024	12,099	885,682	219,392	1,705,285	2,822,458

11. LONG-TERM FINANCIAL ASSETS

	31 December 2024	31 December 2023
LT loans issued	41,601,373	41,289,971
Financial assets at FVTPL	837,800	838,937
Other LT placements	25,060	28,655
Available for sale financial assets	124,315	128,683
Less Current portion of LT loans issued (note 5)	(35,152,987)	(32,578,321)
Less provision of LT financial assets	(207,049)	(213,799)
	7,228,512	9,494,126

12. OTHER NON-CURRENT ASSETS

	31 December 2024	31 December 2023
Advances paid for PPE	2,810,616	4,184,286
Prepaid expenses	75,517	104,566
Other assets	901,105	916,063
Less allowance for other assets	(278,654)	(284,068)
Less allowance for advances paid	(33,986)	(21,363)
	3,474,598	4,899,484

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

	31 December 2024	31 December 2023
Short-term loans	2,387,513	3,606,281
Interest liabilities	223,371	256,467
Current portion of long-term loans (note 17)	8,815,829	10,761,083
	11,426,713	14,623,831

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

	Year ended 31 December 2024	2023
Short-term loans at 1 January	3,606,281	5,345,097
Proceeds	24,542,557	10,988,503
Repayment	(25,761,325)	(12,726,855)
Foreign exchange difference (note 23)	-	(464)
Short-term loans at 31 December	2,387,513	3,606,281

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Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024

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

14. TRADE AND OTHER PAYABLES

	31 December 2024	31 December 2023
Trade payables	16,627,827	19,062,793
Dividends payable	3,783,398	3,783,595
Other accounts payable	28,786	21,143
	20,440,011	22,867,531

15. OTHER CURRENT LIABILITIES

	31 December 2024	31 December 2023
Contract liabilities arising from contracts with customers:		
- Advances received	5,055,703	4,747,256
- Customer loyalty	949,116	843,176
- Deferred income	55,648	45,170
Payables to employees	4,263,714	3,931,046
Other current non-financial liabilities	201,357	85,622
	10,525,538	9,652,270

Revenue in the amount of 4,831,194 RSD (31 December 2023: 7,874,028 RSD) was recognized in the current reporting period related to the contract liabilities as at 1 January 2024, of which 4,243,270 RSD (31 December 2023: 7,407,671 RSD) related to advances and 587,924 RSD (31 December 2023: 466,357 RSD) to customer loyalty programme.

16. OTHER TAXES PAYABLE

	31 December 2024	31 December 2023
Mineral extraction tax	438,324	471,143
VAT	2,594,634	1,202,951
Excise tax	8,463,280	8,121,033
Contribution for State commodity reserves	348,084	625,507
Custom duties	73,717	28,928
Energy efficiency fee	39,876	72,972
Other taxes	1,181,438	1,056,917
	13,139,353	11,579,451

17. LONG-TERM DEBT

	31 December 2024	31 December 2023
Bank loans	65,159,107	65,223,168
Other Long-term borrowings	1,873,529	3,372
Less Current portion (note 13)	(8,815,829)	(10,761,083)
	58,216,807	54,465,457

NIS a.d.**Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024***(All amounts are in 000 RSD, unless otherwise stated)*

Movements on the Company's bank loans are as follows:

	Year period ended 31 December	
	2024	2023
As at 1 January	65,223,168	67,738,184
Proceeds	12,055,365	3,380,401
Repayment	(11,935,482)	(5,825,461)
Non-cash transactions	(95,468)	20,343
Foreign exchange difference (note 23)	(88,476)	(90,299)
As at 31 December	65,159,107	65,223,168

Bank loans

	31 December 2024	31 December 2023
Domestic	49,852,704	48,366,114
Foreign	15,306,403	16,857,054
	65,159,107	65,223,168
Current portion of long-term debt	(8,815,829)	(10,761,083)
	56,343,278	54,462,085

The maturity of bank loans was as follows:

	31 December 2024	31 December 2023
Between 1 and 2 years	30,987,592	7,632,523
Between 2 and 5 years	24,567,096	45,494,977
Over 5 years	788,590	1,334,585
	56,343,278	54,462,085

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

	31 December 2024	31 December 2023
USD	-	30,298
EUR	65,159,107	65,163,377
JPY	-	29,493
	65,159,107	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 31 December 2024 and 31 December 2023, respectively.

In November 2024, the Company raised funds from the Serbian financial market by, successfully placing its corporate bonds. The corporate bonds are denominated in euro, with a fixed annual interest rate of 6,5%, maturity of five years and quarterly interest rate payment to the owner.

18. LEASE LIABILITIES

	31 December 2024	31 December 2023
Non-current lease liabilities	1,497,645	1,610,014
Current lease liabilities	488,755	522,002
	1,986,400	2,132,016

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Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024

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

Amounts recognized in profit and loss:

	Year ended 31 December	
	2024	2023
Interest expense (included in finance cost) (note 25)	95,416	92,725
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	74,883	4,313
Expense relating to leases of low value assets that are not shown above as short-term leases	11,521	10,226
Expense relating to variable lease payments not included in lease liabilities	1,264,305	1,197,918

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

	Year ended 31 December	
	2024	2023
As at 1 January	2,132,016	2,295,379
Repayment	(684,903)	(629,948)
Non-cash transactions	545,634	470,687
Foreign exchange difference (note 23)	(6,347)	(4,102)
As at 31 December	1,986,400	2,132,016

19. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in the amount of 12,140,168 RSD (2023: 12,038,912 RSD) represents deferred consideration in the amount of 837,800 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 11,302,368 RSD (2023: 11,199,975 RSD).

20. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Employee costs	1,186,259	1,212,769	4,392,571	4,217,476
Materials and supplies (other than O&G and petroleum products)	384,540	334,714	1,283,785	1,245,576
Repair and maintenance services	1,815,591	1,606,681	5,633,557	5,503,194
Electricity for resale	48,783	4,003,462	120,995	14,118,564
Electricity and utilities	2,470,765	2,496,461	9,202,359	8,507,113
Safety and security expense	310,064	225,819	767,838	665,818
Transportation services for production	388,360	415,972	1,565,051	1,421,506
Other	3,890,038	3,634,357	15,151,730	13,436,401
	10,494,400	13,930,235	38,117,886	49,115,648

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

Other expenses mainly relate to cost of other goods that have been sold at the petrol stations in the amount of 10,652,110 RSD (2023: 9,143,357 RSD).

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Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024

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

21. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Employee costs	4,191,836	4,467,443	15,137,815	14,274,987
Commission and agency fees	1,431,567	1,539,919	5,538,681	5,278,196
Legal, audit and consulting services	919,393	846,546	2,215,134	1,968,498
Current repair cost	501,815	399,766	1,530,178	1,313,804
Costs on advertising and marketing	219,456	87,639	494,943	333,172
Rent expense	15,079	7,503	92,688	21,770
Business trips expense	93,317	90,811	335,305	265,742
Safety and security expense	343,046	272,797	1,085,320	909,302
Insurance expense	28,616	21,415	106,823	96,094
Transportation and storage	92,414	56,789	333,852	210,202
Allowance for doubtful accounts	(25,443)	(1,543)	(54,409)	8,684
Other	1,776,713	1,641,919	6,310,083	5,740,037
	9,587,809	9,431,004	33,126,413	30,420,488

22. OTHER INCOME (EXPENSES), NET

	Three month period ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Penalties	123,614	32,427	545,292	162,640
Provisions	(14,731)	(2,343)	(70,203)	(33,650)
Impairment (reversal) of non financial assets	68,657	(109,343)	47,383	(135,449)
Charity and social payments	(172,073)	(177,152)	(196,808)	(7,247,557)
Others	149,170	73,779	527,078	(88,963)
	154,637	(182,632)	852,742	(7,342,979)

Charity and social payments amounting to 196,808 RSD (2023: 7,247,557 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 31 December		Year ended 31 December	
	2024	2023	2024	2023
Foreign exchange gain/(loss) on financing activities including:				
- foreign exchange gain (note 13,17,18,19)	89,839	64,320	261,008	223,601
- foreign exchange loss (note 13,17,18,19)	(40,111)	(49,537)	(151,039)	(118,736)
Net foreign exchange loss on operating activities	(185,818)	(30,300)	(831,794)	(224,860)
	(136,090)	(15,517)	(721,825)	(119,995)

24. FINANCE INCOME

	Three month period ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Interest on bank deposits	415,610	730,772	1,646,191	4,177,624
Gains/(losses) on restructuring of borrowings	(22,327)	28,877	95,469	46,217
Revaluation of equity investment at fair value - income	-	(29,375)	-	517,395
Dividend income	58,599	44,372	58,599	44,372
Interest income on loans issued	268,597	202,675	913,173	768,655
	720,479	977,321	2,713,432	5,554,263

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Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024

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

25. FINANCE EXPENSES

	Three month period ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Interest expense	876,747	848,678	3,519,806	3,148,442
Losses/(gains) on restructuring of borrowings	(11,643)	4,406	-	20,438
Decommissioning provision: unwinding of the present value discount	39,604	36,604	150,623	145,922
Provision of trade and other non-current receivables: discount	13,335	(63,245)	89,477	7,299
Revaluation of equity investment at fair value - expense	29,685	-	118,273	-
<i>Less: amounts capitalised on qualifying assets</i>	<i>(20,525)</i>	<i>(17,041)</i>	<i>(80,335)</i>	<i>(61,023)</i>
	927,203	809,402	3,797,844	3,261,078

Interest expense includes expenses on lease liabilities in amount of 95,416 RSD for the year ended 31 December 2024 (92,725 RSD for the year ended 31 December 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 31 December 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 31 December 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.

NIS a.d.**Notes to the Interim Condensed Financial Statements for the year ended 31 December 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 373,479 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 31 December 2024 the Company has entered into contracts to purchase property, plant and equipment for 4,852,949 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.

For the year ended 31 December 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 31 December 2024 and 31 December 2023 the outstanding balances, net of impairment, with related parties were as follows:

As at 31 December 2024	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
Short-term financial assets	32,871,239	-	-
Trade and other receivables	10,213,376	-	50,532
Other current assets	1,919	-	540,205
Right-of-use assets	95,917	-	-
Investments accounted for using equity method	-	-	1,038,800
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	7,123,387	-	-
Other non-current assets	39,898	-	-
Trade and other payables	(5,773,742)	-	(542,822)
Other current liabilities	(56,815)	-	(389)
Short-term debt	(2,400,033)	-	-
Current lease liabilities	(7,574)	-	-
Long-term debt	(1,171,459)	-	-
Non-current lease liabilities	(92,279)	-	-
Other non-current financial liabilities	(11,302,368)	-	-
	60,558,148	-	1,086,326

NIS a.d.**Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024***(All amounts are in 000 RSD, unless otherwise stated)*

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
As at 31 December 2023			
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 year ended 31 December 2024 and 31 December 2023 the following transaction occurred with related parties:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
For the year ended 31 December 2024			
Revenues from sales of products and services	53,454,485	-	279,212
Expenses based on procurement of products and services	(23,269,805)	-	(3,576,553)
Other income (expenses), net	627,381	-	(338)
	30,812,061	-	(3,297,679)

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
For the year ended 31 December 2023			
Revenues from sales of products and services	35,605,124	-	16,076,612
Expenses based on procurement of products and services	(16,883,568)	(5,218)	(15,998,947)
Other income (expenses), net	1,216,686	-	(40,779)
	19,938,242	(5,218)	36,886

Transactions with subsidiaries in Romania and Bulgaria

The companies are currently facing significant challenges in its operations in Bulgaria (DWS operations) and Romania (DWS and UPS operations), which are affecting the overall performance and future prospects in these markets. As a result, management is considering both the possibility of further development and the option of exit from these markets.

Given the current circumstances, the company is analysing the following options:

1. **Potential for Further Development:** This includes exploring opportunities to improve operational efficiency and identification of further business opportunities for development to address local market challenges.

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

2. **Exit Strategy:** In parallel, management is also considering the possibility of exiting these markets if the challenges persist or worsen, including assessing potential complete or partial sale of asset, closure, or other exit mechanisms.

A comprehensive review is ongoing to ensure that any decision taken will align with long-term strategic goals and shareholder interests. The outcome of these considerations will be disclosed as part of the regular reporting in the coming periods, depending on the final decisions taken.

29. EVENTS AFTER THE REPORTING DATE

Introduction of Sanctions by the United States of America (USA) on NIS a.d. Novi Sad

- On 10 January 2025, the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury announced on its Specially Designated Nationals and Blocked Persons List (SDN List) that, as part of measures taken by OFAC under Section 11 of Executive Order 14024, dated 15 April 2021, related to the energy sector of the Russian Federation, the company NIS a.d. Novi Sad was added to the SDN List. This action places Naftna Industrija Srbije at risk of secondary sanctions if it conducts transactions with Gazprom Neft.

This listing represents a significant event after the balance sheet date, which may have a material impact on the company's operations.

- On 14 January 2025, the Belgrade Stock Exchange decided to impose a temporary suspension of trading in NIS a.d. Novi Sad shares, which will remain in effect until the resolution of the situation.

As of the date of approval of these Interim Condensed Financial Statements, the Company is unable to fully assess all potential financial and operational consequences of this event due to its complexity and the ongoing development of the situation.

The Company's management is conducting daily assessments of the impact of the sanctions on operations and is taking all necessary measures to ensure the sustainable operation of the Company.

All events occurring after the reporting date, from 31 December 2024 to 31 January 2025 when these Interim Condensed Financial Statements were approved, have been taken into account.

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Notes to the Interim Condensed Financial Statements for the year ended 31 December 2024

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

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